How the Nazi "Smear Britain" Campaign Works in America (P. 11)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, APRIL 4, 1942 | 10c a Copy; $5.00 a Year | No. 14

Be Sure to Read
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The Nation's Business

We Must Reorganize From Top Down

In two straight from the shoulder speeches Donald Gordon told Montreal and Toronto audiences that "our whole approach to the question of total war needs desperately to be completely overhauled." This is a serious challenge from one of our foremost public servants and so is this statement from Mr. Gordon:

"If we are to make a realistic approach to total war we must demand a complete inventory of our entire productive machinery."

"Arbitrary decisions will have to be made in the light of immediate needs."

Canada has been at war for almost three years and yet only now, apparently, is Ottawa beginning to realize that our plans have fallen far short of what is required, that Canada "must raise her war sights." But realization of this stark necessity is only a first step forward. Next and more important is remedial action and for that as Mr. Gordon pointed out we need:

"A definite control of everything produced must be undertaken to decide first what is to be produced, second, who is best equipped and qualified to produce it, and, finally, who is to get the production."

This brings us to the crux of the whole situation. Hitherto there has been no cabinet minister or committee either free or willing to take the responsibility for formulating and carrying out such a plan. Department heads have been concentrating on details of immediate production. They have, as the Ottawa Journal aptly phrased it, merely acted "as purchasing agents." As a result we have had partial mobilization of our industrial and man power resources only. We have done well, exceedingly well in many lines, but we have been weak in co-ordination and without that anything like full production is impossible.

First steps in the complete overhaul of our approach to total war as asked for by Donald Gordon must be from the central pivotal point of Ottawa. These steps have been outlined again and again in The Financial Post from the very start of the war and are incorporated in two planks in The Post platform for Canada as follows:

Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.

An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

Only such a government and such a cabinet freed of detail can take the responsibility needed for guiding this country into total war. It is imperative that we cease talking about what we must do and do it. The Canadian people have demonstrated that they are fully prepared for any steps, are fully prepared to make the necessary sacrifices, but the government must make the decisions and supply the leadership. In Toronto this week Mr. Gordon called upon the people for leadership. But leaders themselves must lead.

* * *

CANADA NEEDS BETTER PUBLICITY IN U. S.

That there is an active Fifth Column, composed of amateur and professional enemy agents, in the United States is alarming but it is true. Horace T. Hunter, in his dispatch from Washington on this page, brings out that fact as does a staff writer of The Financial Post in an article on page 11.

Axis agents, aided and abetted by the "Wheelberg's" and the Anglophobe press, are carrying on an intensive campaign of seeking to separate the British and the American people in the war. Our staff writer's article shows how Britain and Canada are being misrepresented in this "Divide and Conquer" strategy of Berlin, Rome and Tokio.

Unfortunately, Canada is doing very little to offset this misrepresentation. On the whole, the American people know very little of the facts of Canada's war effort chiefly because we have told them so little. Ignorance is an essential condition of successful misrepresentation. If we want to avoid distortion of our policies and our war effort among the people of the United States we must do a more thorough job of telling them what we are doing.

* * *

Canada has a single press attaché in Washington. He cannot begin to cope with the task that has to be performed.

Canada should establish in the United States, openly and aboveboard, a war publicity office, adequately staffed and headed by a front-rank editor. Issuing mimeographed press "releases" would be the least of its jobs.

It would work with American editors to help them arrange for their own staff writers to get a first-hand picture of Canada at war.

It would be on the job every minute to counter and answer every piece of Axis or isolationist misrepresentation about Canada.

It would keep the "big name" writers, columnists, and radio commentators informed on our policies and help them to interpret Canada and its policies in their own words.

It would be on call at all hours to explain any Canadian development to editors, writers and commentators.

It would advise the Canadian government on such questions as "timing" announcements, or how to get the positive rather than the negative slant in governmental statements so as to achieve a friendly rather than a hostile attitude toward Canada and its war effort.

It would maintain a speakers' bureau to insure that any organization desiring to hear of Canada's war activities would be able to get an informed speaker quickly.

Until we do something like this we must expect that the Axis will continue to get its own misleading interpretations of Canada across to our friends in the United States, friends who are hungry for news from Canada at war.

* * *

WHAT WILL FOLLOW THE PLEBISCITE?

In less than a month the people of Canada will be called upon to vote on the plebiscite but as yet they have not the slightest inkling of the government's intention following that vote. There is no guarantee that an overwhelming "yes" will mean the immediate adoption of selective compulsory service, though advocates of such a full out war effort have no option but to vote in the affirmative.

There is still time for the government to make a full explanation and the people of this country are entitled to have such an explanation. Specifically they should be told of the pledges from which the Prime Minister wishes to be released. Specifically they should be told exactly what the government intends to do following the vote. Parliament is now adjourned and there is an opportunity for Mr. King to make that explanation. There is also an opportunity for his followers to explain their intention to their constituents.

The people of this country are generous, there have been no murmurings in regard to any war sacrifices demanded, they have submitted to arbitrary control measures undreamed of a few years ago. But they want to know where we are going.

If this explanation is not forthcoming there is no guarantee that the plebiscite will settle anything, and it may result in fatal delay and confusion. There is very grave danger that nothing like a full vote will be mustered and that six weeks from now we may be no farther ahead in our war effort. We have already lost too much vital time; further procrastination is courting certain defeat.

In the sort of war we are facing we can only be either for it or against it. Lukewarmness leads but to wasted effort and defeat. Either we put all our energies into winning or we lose. There is no compromise, it is unconditional surrender we face, or complete victory. The plebiscite on which the people of Canada are called upon to make a decision this month, must be made as simple as that. They should be assured that a "yes" majority means that we are going all out to win.

May Expand Dofasco Steel

Plans Said Nearing Completion for Additions — Dominion to Take Portion of Plant

Plans for important expansion of steel producing capacity of Dominion Foundries & Steel Ltd. are understood nearing completion. The proposals contemplate financing by the government and include the probability that the government will take over at least a section of the company's plant.

Reports of impending changes and additions in this company's position have been current for some time and it now appears that negotiations are nearing the stage where some agreement may soon be completed. No details are yet available and company officials decline to comment.

This company is Canada's pioneer producer of armor plate and is given credit everywhere for doing an outstanding job in meeting Canada's requirements for this highly specialized type of steel to date. Official statements indicate that armor plate is one vital type of steel production of which Canada has so far been able to obtain adequate supplies entirely within this country and this achievement is credited to Dominion Foundries.

Latest issue of the Dofasco Illustrated News comments on the after-victory readjustment problem.

Believing that steel demand is going to be drastically curtailed it suggests that, in place of the 2,500 men now employed at Dominion Foundries, number of workers may drop to perhaps 500. To offset this condition, the company has emphasized savings by employees and has its own employee savings and profit-sharing fund in which there is now held about $1.5 million after only five years of operation.

Institutional Ads. Not Affected by Rubber Ruling

In accordance with the rubber conservation programme, an order is to be issued putting definite limitations on advertising and display of restricted rubber products, Alan M. Williamson, supplies controller, told Hardware and Metal this week.

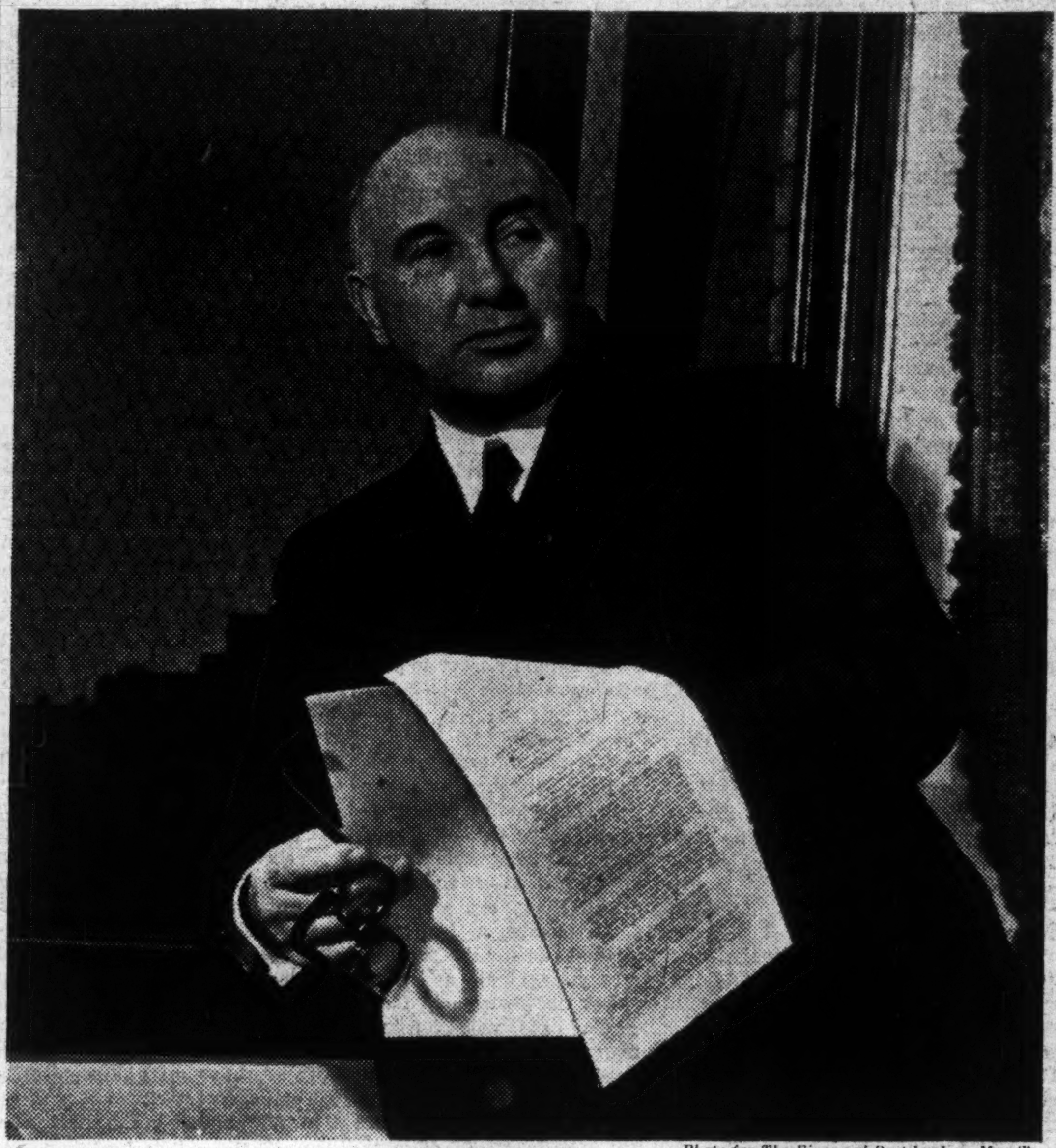
Indicating the terms of the memorandum to be issued, Mr. Williamson said there would be no interference with institutional advertising of rubber companies which did not offer restricted goods for sale. "We have no objection to that form of advertising," Mr. Williamson said.

For the time being, he said, the restriction will not apply to advertising and display of other prohibited or curtailed products.

"Rubber," said Mr. Williamson, "is our gravest concern at the moment and we are anxious to do everything we can to discourage people from buying its products which are not absolutely essential."

"Display of rubber products, with the probable exception of rubbers in season and medical supplies in store windows, will not be allowed. Nor will dealers be permitted to display them prominently on shelves or tables. All reference to rubber products must be excluded from hand bills," he said.

His Autograph is Canada's Most Familiar



—Photo for The Financial Post by Jean Merrill.

Best known autograph to Canadians these days is the scrawl of George R. Cottrelle. From jaloppy to limousine a specimen of the Oil Controller's penmanship on a ration coupon is now the only recognized pass at any Canadian gas station. Need for oil for the wheels of victory has brought to Canada its first coupon rationing scheme, will remind some Canadians that walking is not so bad after all. An ardent devotee of horseback riding, former banker Cottrelle undoubtedly sometimes wishes more Canadians would follow his own lead and turn from gasoline burners to hay burners for transportation.

Extra Gas Drivers Disappointed

A Few High Category Books Pulled in Already

By A. D. ELLWOOD

Disappointment has already descended for some motorists who thought they were going to get an extra ration of gasoline when the rationing system went into force this week.

A few whose earlier appeal for a higher rating had been allowed, are now having their gasoline coupon books recalled and replaced by much lower category books.

Oil control officials admit that in the first rush to handle 1.5 million gas ration coupons, they very probably let a few slip through with higher categories than actually justified. Now that some of the first rush has subsided, and now that standards of judgment are better established regional offices are doing some checking and in a few cases have revised downward gas rations already allotted. One principle being followed is to try to see that John Jones who was granted a class D category because he was a rural salesman, does not get more gasoline than does David Smith who does the same type of job but was placed in B or C category. The chances of John Jones being cut down are much greater than that David Smith will be raised.

In another important way, oil control officials cut down on gasoline ration requests. Thousands of people who asked for ratings all the way up to the highest, or E category, were actually given perhaps a B rating or had their request for preferred treatment refused altogether.

Figures published by the Department of Munitions and Supply indicate that results from the restriction campaign of last summer were considerably better than that shown by the Dominion Bureau of Statistics figures for last year. The M. & S. figures show.:

August, 1941, gasoline sales down 1.3% from Aug., 1940.

September, 1941, gasoline sales down 9.6%.

October, 1941, gasoline sales down 0.14%.

For this three-month period the drop was about 3.7% and for all of 1941 there was a gain of 5.67%, while the D.B.S. figures show a gain of 10.6%.

D.B.S. figures include aviation gasoline sales, including all the gasoline used by the Commonwealth Air Training Plan. The M. & S. figures do not include aviation gasoline. Both sets of figures include all gasoline used by the army in its training and operations. It is considered most likely that both the aviation and army gasoline consumption in the last half of 1941 was on a much higher scale than in

(Continued on page 2, col. 6)

Farmer Interests Stay Ottawa Hand

Major Change in Canadian Eating Habits Coming Shortly as Meat Ration Declines — Beef Going to U. S.

By GORDON L. SMITH

OTTAWA. — Because Canadian farmers would likely reply to any campaign for increased production by demanding exemption from military service and higher prices, the government is delaying action.

Meanwhile, evidence is accumulating that such a drive is now long overdue and that Canadian eating habits are in for drastic revision.

Within the next few months, the average family is going to have to get along with considerably less meat, and perhaps smaller servings of some dairy products.

Plenty of Bread

Unlike Europe, however, it will not be a case of starvation. No shortage of bread is in prospect. Raw material for bread is bulging every elevator throughout the country and the inauguration of vitamized or "Canada-approved" bread April 15 now makes bread a food rich in dietary value.

Prospects are that meats and a few other items will tend to become a little dearer and considerably scarcer, but with plenty of bread, lots of fruits and vegetables and fairly adequate milk and other dairy supplies, Canadians are expected to get along nicely.

To keep farm producers contented and producing at capacity and to enable retailers to sell near present ceiling prices a subsidy is likely to be paid on certain meat products.

Cheapest and most practical method, it is believed, would be through packers, but such a move would not be popular in the country and it will likely go direct to farmers as is now the case with cheese, and hogs. To insure even distribution at controlled prices the authorities are prepared but reluctant, The Financial Post, understands, to enforce a compulsory rationing policy.

Meat Main Worry

The meat situation has been giving the Wartime Prices and Trade Board more worry recently than any other single commodity. It is no secret that supplies have been running short and prices to the producer have been increasing.

Trouble hinges around the export of live cattle to the United States. Under the last trade agreement negotiated with Washington just before the war, Canadian farmers were given an annual quota of approximately 200,000 head of live cattle to the United States.

On cattle up to this number the regular duty was cut in two; above it, the tariff is almost prohibitive. To prevent a glut of cattle at any one season the quota is divided into even quarters. The new spring quarter opened April 1 this week, and, in anticipation farmers in eastern and western Canada have been holding back both export and domestic shipments. As a result, in the last few weeks cattle sales in Toronto, Montreal and other markets have fallen to an unusually low ebb. Checked by the rigid retail price ceiling on all meats, packing house buyers were unable to get adequate supplies.

Corrective Gone

Normally retail price of beef would rise sharply, and consumers would swing to the cheaper pork and other meats. Before the war the average Canadian housewife bought about as much pork as beef in a year buying whichever was cheaper at the time.

That escape and corrective is not possible today. While Canadian farmers are growing more hogs than ever before, 80% of total production is earmarked for Great Britain and the price paid to farmers already is bumping against the retail ceiling. In fact that ceiling would have been punctured had not special subsidies been paid in certain provinces.

Unable to get cheap pork as an alternative, the next natural step of the government would be to place an embargo on Canadian cattle exports to the United States until normal domestic supplies of beef were maintained. Ottawa has the power to enforce such an embargo, and did in fact enforce something of the kind when exports of Canadian pork to the United States threatened our bacon commitments to the United Kingdom.

But, to put it mildly, Ottawa is most reluctant to interfere with Canadian cattle shipments to the United States. As one high placed authority told The Financial Post, such a step would bring a hornet's nest to Parliament Hill. Farmers all over the country would protest and the farmers in this country wield much political power.

There are also international com-

(Continued on page 2, col. 7)

Fear Flight From 'Vital' Jobs

Misunderstanding of Job Order Creates Problem

By KENNETH R. WILSON

OTTAWA.—Behind this week's announcement of an inventory of farm man power is the threat that a considerable number of ex-farmers now engaged in war work or civilian industry may return to farms in order to avoid liability for military training.

If this were to take place in areas where farm labor is badly needed, or by slow degrees, it might be beneficial, on balance, to the national man power position.

If it assumes anything like a stampede away from key war industry it may seriously impair war production. Certainly the new-fledged man power organization here is prepared to co-operate to the utmost with employers to stem any exodus which might impair war production.

Another possible threat to production arising out of the new programme is the mass movement of men from certain areas or plants in order to avoid the possibility that they may be "frozen" there for the duration. Here again, every effort will be made by Ottawa with management, to assist in providing conditions which will make present jobs (if vital to the war effort) more attractive. Steps may also be taken to allay fears that more drastic "freezing" of jobs is yet contemplated.

Much Misunderstanding

General misunderstanding and misinterpretation has apparently surrounded the provisions of the new law which aim to prevent a further drift of healthy males into certain "restricted" industries and occupations. Ottawa is being deluged with evidence that the new law is being misinterpreted as freezing all workers in these industries and preventing the new employment of any persons whether male or female, fit or unfit.

What should be clear from the order or the Prime Minister's statement is:

1. That there is no general freezing of workers within these industries or occupations. Anyone (except possibly professional engineers who are covered by a separate order) is free to leave his job as before.

2. That there is no restriction on the hiring of women of any age in any of these occupations or industries. The only barrier to new employment is that against the hiring of men who are physically fit and are between the ages of 17 and 45.

Even here, the barrier is not final since the law provides for exceptions wherever such employment is permitted by the Regional Selective Service officers shortly to be appointed.

Pending appointment of such officers it is probable that appeal authorities now functioning under the National War Services Department may be named to hear such appeals.

Too Few Realize Dread Urgency

U. S. Studies Morale Building — Expects Coastal Bombing

By HORACE T. HUNTER
President, The MacLean Publishing Company, Limited

WASHINGTON.—If the United States had had another 60 or even 30 days to prepare, Japan probably would not be in the war today.

She would have been up against overwhelming United States air superiority. She would have been stopped cold by the cargoes of a virtual "bridge of ships" which Washington was preparing to span the Pacific.

HORACE T. HUNTER

Japan realized the emergency and struck at Pearl Harbor. The United States did not recognize the emergency and was caught unprepared.

That is the inside story of Pearl Harbor. It is from the most authoritative sources.

Now, after almost four months of war with Japan, what is the picture of Uncle Sam's war effort? It is this:

The American citizen is not yet war-conscious. He still does not realize the emergency. In spite of the record of enemy successes—ship sinkings at his very door; the shelling of California; the bottling up of the Philippines; the losses of Malaya, Singapore, the Dutch East Indies—in spite of sabotage and spy nests right under his nose, he does not recognize that he is in a life-and-death struggle.

He does not realize that profits, hours of work and wages must take a secondary place. He does not know how short the time is. He is not aware that his morale must be strengthened and increased.

This complacency, this mass failure to feel that the United States are fighting for their very lives, is worrying official Washington.

The key men in war and production departments know the terrible dangers of delay. The people do not.

Spy Damage Known

There are too many fifth columnists roaming about the United States. Definite evidence of the damage done by spies has come to light in Hawaii, in the burning of the Normandie and in exposure of cases where men closely associated with German Bund leaders have been given intelligence jobs in the United States Army.

There is too much reckless use of vital information in the daily press. Government departments hand out all possible data on the launching of important ships. They have caused untold difficulties by revealing General MacArthur's use of motor torpedo boats in leaving the Philippines. For days now the Japanese have been bombing the Bataan shores, trying to get those boats. Government departments have been of huge value to the enemy by giving production figures on special types of bombers and other equipment which should have been kept secret.

The effect of this type of publicity is felt keenly in military and naval circles. It puts them at a distinct disadvantage, in view of the fact that the United States government is getting no military information of any consequence from Germany or Japan.

These circles feel it is essential that the United States forces gain the vital advantage of surprise, which comes only by keeping important information from the enemy. So far, the enemy has had all the benefits of surprise attack.

Russia's success is due in no small measure to this "surprise" strategy.

Need Feeling of Hatred

The necessity for a feeling of hatred is emphasized in Washington. The leaders know the ruthlessness and brutality of the enemy's tactics. They know that unless they awaken, the civilians may find themselves powerless to combat it when it strikes them. As it is, the civilians are more interested in their daily occupations than in the war. Their chief concern is often what they are going to lose through rationing or priorities. The chief topic of conversation is gasoline rationing and the week-end trips that may have to be cancelled. The shortage of sugar and labor's danger of losing the 40-hour week are other favorites.

Washington knows that these are not the things people are talking about in Germany or Japan.

Inflation

There is a very real fear of inflation in the United States capital. It is coupled with a growing demand for a wage and price control measure similar to that in existence in Canada. Key men in the army, navy and

(Continued on page 2, col. 3)

'Hoard' Coal Promptly Is Advice to Patriots

By STAFF WRITER

OTTAWA.—Canadians must look forward to coal rationing about next August, The Financial Post is informed. Reason is the increasing dependence of Canada on U. S. coal supplies and the fact that if a ration plan is introduced in that country at that time (as is now anticipated) Canada will have to follow suit.

But officials point out that you will be no "hoarder" or "public enemy" if you stow away the biggest coalpile you can this summer in order to beat the ration deadline. In fact, consumers who can order or accept delivery of their winter's supply—or more if they can find a place to stow it — will definitely be performing a national service.

Needs Greater

In anthracite alone, it is expected that our import needs from the United States will be higher this year by one million tons compared with two years ago. (We increased almost 800,000 tons last year). Bituminous imports, which have almost doubled in the past two years, will probably be greater than last season despite mounting domestic production. All this at a time when transportation facilities are being strained to the utmost, puts a premium on early purchase and distribution of next winter's fuel.

One encouraging feature of the coal outlook is the steady growth of domestic production. By the end of the fiscal year, just closed, it is estimated Canadian coal mines will have reached an all-time record production of 18.2 million tons. This compares with a previous high mark of 17.5 million tons reached in 1928. It is more than 30% higher than the last prewar year. It was achieved in spite of the loss of almost 700,000 tons by reason of the slowdown strike at Cape Breton.

Household coal bins will use more

(Continued on page 2, col. 6)

EATON'S - COLLEGE STREET

One of Britain's Finest . . . and a Favourite with Well-Dressed Men!

from MANFIELD of LONDON

Manfield shoes need no introduction to Canadians. They have always been popular here because they are so thoroughly dependable. They have the feel of quality and the look of quality . . . and they are built to stand up well.

Three good styles to choose from:

1. (Illustrated) Full brogue in brown grain calf leather; medium heavy sole.

2. Dress oxford in brown grain calf leather; medium heavy sole.

3. Black box calf dress oxford; medium heavy sole.

Pair 12.50

Free Parking While Shopping.

MEN'S SHOP

Civil and Military Outfitters

at EATON'S - COLLEGE STREET

The War and Business . . .

U. S. Wage Ceiling?

A wage ceiling, similar to Canada's, may come in the United States this year. It is being demanded vigorously by the Middle West, where farmers are almost in revolt against rising wages.

The "timing" is the chief problem. Large employers and labor groups are keeping an eye on the forthcoming negotiations between United States Steel and its employees. Whatever happens in the U. S. Steel case is expected to provide the pattern for wage action by other companies. Some increase in the basic wage is expected but it is expected to be the last major increase during the war. Other companies will adjust their scales to conform to the new U. S. Steel basis and wage freezing by Washington will probably follow shortly afterwards.

This is an informed view obtained in New York this week by The Financial Post.

Holding War in Pacific

Opinion seems to be shaping in informed American circles that a "holding war" will be fought in the Pacific this year while all assistance is given to Russia to enable her to knock out Germany this year.

If this strategy succeeds there would be an all-out attack on Japan in 1943.

American military and production plans seem to be based on at least a five-year war, but there is a growing conviction—which officials hesitate to express—that the war could end next year if the United Nations speed up their war organization quickly enough.

* * *

Compulsory Rationing

No further compulsory rationing steps are being considered at Ottawa, The Financial Post is informed, though changes in the general situation might alter plans. There have been proposals to put meat on the ration list, it is understood but the government is still hopeful that voluntary restriction and possibly higher prices will be sufficient to bring consumption and production into line.

Voluntary Plan Best?

The present voluntary plan of sugar control, Ottawa maintains is working out satisfactorily. There have been some convictions for violation and more are coming, it is understood, but these have been no more serious than might be expected under any compulsory scheme.

Big advantage of voluntary over compulsory rationing is the saving in the printing and distribution of coupon books and the lack of irksome regimentation, which has a bad political reaction.

Biggest Headache

Biggest worry of WPTB officials is to convince the public that more economical use of certain lines of consumer goods is necessary. Because store windows are full of goods and have always been full, many people will not believe that there is any real necessity of skimping.

And yet officials are reluctant to stress any shortages for fear of starting buying runs. At that the general situation in Canada seems to be better than in the United States where Washington, in the case of sugar, was forced to stop all buying one week before compulsory rationing, in order to prevent hoarding.

* * *

New Cans Coming?

While the use of ordinary tin cans has been abolished for many common foods including the standby, pork and beans, there is a good possibility that commercial canners may be able to get substitute containers. Plans are well advanced for using a lacquered covered steel can for the processing of all non-acid fruits and vegetables. For necessary acid foods regular tin cans will continue available.

The ordinary tin can is made of about 98% ordinary steel sheet, thinly covered with tin. The steel is made in Canada and for food products will still be available. The tin used to come largely from the Malay States. All that is necessary is a suitable lacquer and that is believed on the way.

* * *

Bag Worries

Bags, especially jute which comes from India and the Far East, constitute another container worry. A large list of products are packed in these bags including livestock feed, potatoes, other vegetables, fertilizer, wool, etc. So scarce are these becoming that it is now a criminal offense to cut or mutilate them, probably to use them as doormats outside the farm kitchen door. With proper care a heavy jute bag can be used over and over again and regulations have just been passed with the objective of keeping these bags in circulation. Substitutes in the form of paper will be introduced but for certain bulky products there are automatic filling difficulties.

* * *

Ceiling on Farm Products

Rather than a ceiling price close to the average of recent years, the authorities have another plan in connection with those farm products which fluctuate widely in production from season to season. Potatoes are an example.

After much worry a ceiling has been fixed, based on the recent high price, rather than the average price during the basic period last fall. In other similar farm products, it is likely that the highest price of a fairly short season will be chosen, and then careful watch on the general trade to make sure of no profiteering.

Costs of production with an item like potatoes might vary and with reason as much as 200% from one year to another. In one favorable season a producer might get 100 bags from a certain plot of ground, in the next or unfavorable season he might get only 50 bags. Costs of production per plot in both seasons would be practically the same, cost per unit of production 100% higher in the short year.

Hoard Coal Promptly

(Continued from page 1)

U. S. fuel next winter than in previous years. Imports from U. K. which totalled 1.2 million tons in 1940-41, dropped last year to 629,000 tons. There is little prospect of maintaining this figure next winter. Canada will be fortunate if she can secure as much as 500,000 tons in the next eight or nine months. This coal will be shipped to Canada at the same price as last year with the British government paying the same subvention. Any additional costs due to higher labor or transportation costs will be paid by the Dominion government as a direct subsidy to enable this coal to be sold in Canada next winter within the price ceiling. (The subsidy will actually be transferred through the Canadian government to Britain and thence to the industry.)

It is estimated that this subsidy will cost the government about $250,000 or about 50 cents a ton.

The subsidy on U. S. coal, anthracite, payable by the Commodity Prices Stabilization Board to permit sale within the price ceiling will cost between $2 and $2.5 millions on the same basis.

Most Comes by Rail

It is expected that almost all the U. S. anthracite this year will have to be brought to Canada by rail due to the absence of boats. For the next three weeks a shuttle service will operate at Oshwego prior to the time when these boats will be needed for regular inland traffic. After that, almost all shipments will come by rail.

The nominal spread of $1 a ton between rail and boat costs is not actually so great because degradation costs mount to as much as 50 cents a ton more in the case of boat traffic.

HOLD HIGH THE TORCH OF FREEDOM

Recruiting Patriotic Dollars At 500 Canadian Stations

Every branch of the Bank is a "recruiting station" for Canadian dollars whose owners wish to serve their country.

At any one of our 500 Canadian branches you can buy war savings stamps and certificates, and obtain full information regarding war loans.

Enlist to the full extent of your ability to help win the victory for freedom.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation

The "West End"

Exclusive with Simpson's

YOU men who want a hat with a lot of style, yet one that you know will give long service, will want to see the new styles in Simpson's "West End". Illustrated is a lightweight snap-brim in light or medium grey, blue-grey or brown. Other medium-weight lined styles, including the popular Homburg, in brown, grey, blue or green. Sizes 6¾ to 7½. Each $5

Simpson's

THE STORE FOR MEN—STREET FLOOR

Few Drivers Get Extra Gas

(Continued from page 1)

the same months of 1940. As regards the closing two months of 1941, when larger gains were shown by the D.B.S. figures, it should be remembered that attempts to ration gasoline stations ended then. Moreover, pleasure driving declines in fall and winter.

The conclusion is clear that the average Canadian motorist responded to the appeal to save gasoline much better than has been suspected. The actual reductions during three months of heavy driving, as reported by M. & S. must have been made largely by the average motorist as aviation, army and commercial needs were rising steadily throughout the year.

The United States which published figures on gasoline stocks makes clear the reasons for, and the extent of, the gasoline difficulty. Within a month or six weeks, card rationing of gasoline is to go into effect in Oregon and Washington on the Pacific coast and in practically all of the Atlantic coast regions. Already deliveries to service stations in these areas have been cut by 20% and retail gasoline prices frozen.

50% Tanker Loss

The problem is entirely one of transportation. Production facilities could fill all needs. Even though deliveries to consuming areas by pipe line and tank car have been increased tremendously, the increase falls far short of compensating for tanker losses.

A year ago about 1.5 million bbls. daily of petroleum and petroleum products was arriving at the east coast of the United States by tanker, representing a fleet of about 300 ships in continual operation.

Unofficial estimates indicate present deliveries by tanker are off about 50%, or a decline of 750,000 bbls. daily. To offset this decline pipe line deliveries are up about 50,000 bbls. to 90,000 bbls. daily. Railroad tank cars, which were not being used at all a year ago because of higher cost of this method of transport, are delivering over 400,000 bbls daily. This leaves a net deficit of about 300,000 bbls. daily, or about 20% on the basis of 1941 requirements which in turn are considerably below this year's.

The result is that stocks of petroleum in production areas are piling up to record levels because of lack of shipping facilities. Stocks in storage in the Atlantic coast areas of the United States, which normally increase 20% over the first three months of the year, have dropped 10% this year instead.

The 1941 records of gasoline sales still indicate that a new high record was established, exceeding by a substantial amount the previous record year of 1940. How the detailed figures work out for last year as compared with the previous year is shown by the following figures taken from D.B.S. records:

Gasoline Sales

	1941	1940	Change
	(Thousands of Gals.)		
January	48,959	44,773	+ 9.4
February	46,312	41,690	+11.1
March	53,807	43,823	+22.8
April	83,077	56,040	+48.3
May	97,697	91,111	+ 7.2
June	98,314	88,000	+11.7
July	110,014	93,329	+17.9
Total, 7 mos.	538,190	458,766	+17.3
August	105,149	103,436	+ 1.7
September	94,390	97,901	— 3.6
October	95,364	94,116	+ 1.3
November	77,818	71,711	+ 8.5
December	69,529	57,341	+21.3
Last 5 mos.	442,250	424,307	+ 4.2
Total 12 mos.	980,420	883,248	+10.6

Farm Interests Staying Hand Of Ottawa

(Continued from page 1)

plications. When the Japs plowed through Malaya and the East Indies, they cut off or threatened major world's sources of vegetable oil. Britain especially depended on that oil for her margarine supply. Though animal fats, such as butter, lard, etc., were also imported, Britain preferred margarine produced from vegetable oil because it keeps more easily. Now a lot of that vegetable oil is cut off and supplies of butter, frozen, canned and other processed meats, etc., from Australia are hampered.

And another ally, Russia, has also to be considered. With half the Ukraine cut off Russia needs heavy imports of canned meats. Both Russia and Great Britain are looking to the United States. To the former is going canned meats, to the U. K. canned meats plus peanut, cotton seed and other vegetable oils. To offset exports of these, the U. S. will need more outside supplies of meat, for her own domestic consumption and Canadian cattle will play a part.

While meat is the chief item to be affected on Canada's bill of fare, anything else of animal or vegetable fat nature, will also be influenced. Authorities are hopeful that this Dominion will be able to supply Britain with more cheese and eggs, and to maintain present heavy exports of fish, bacon and condensed or powdered milk. In butter Canada has never produced any substantial volume for export but there is some hope that we may be able to spare some production for the United States so that she in turn may send more vegetable fats to the British.

Need Food Drive

From all this it is clearly apparent that a food production drive along practically every line except wheat—we still have a big surplus of this—is overdue in Canada. Production of meats and other concentrated products has been stepped up in the last two years but there is some doubt, because of a labor shortage, that the present rate can be maintained, and, in actual fact, we need still more. But there is grave doubt that Ottawa may launch such a drive. Two reasons are given:

1. Farmers would demand higher prices and this would upset present price ceiling structure.

2. Farmers would demand complete exemption from any present or proposed policy of compulsory military service.

Little explanation is needed regarding reason No. 1. Donald Gordon, outspoken and strong-minded czar of Canada's price ceiling, has reiterated again and again his determination to keep prices at present levels. Moreover, price authorities expect more American co-operation, pointing out that already Washington has a price ceiling on pork, will probably do the same thing with beef. They hope rather than expect that American levels will be close to present Canadian so that farmers here will not be tempted too much to ship everything across the line.

On reason No. 2, the situation is not so clear. Politically it is considered unwise to exempt from any form of compulsory military service a large section of the population. Widespread abuses would be almost certain, plus friction between urban and rural classes. Moreover it would check the present correcting trend of population away from marginal farms which never should have been cleared or broken in the first place.

Dominion Steel and Coal shares appear to be under accumulation. The market price has been especially steady in recent weeks and large blocks of stock are known to have passed hands "at the market." The company's financial statement for 1941 did not show unusual changes and there is no official news of any new major developments.

WAR CALLS FOR THRIFT

When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account growing constantly. Open an account now with the Canada Permanent and make deposits regularly and systematically.

2% on Savings—Safety Deposit Boxes $3 and up—Mortgage Loans.

CANADA PERMANENT Mortgage Corporation

Head Office, 320 Bay St., Toronto

Assets Exceed $67,000,000.

Too Few Realize Urgency

(Continued from page 1)

production departments feel strongly that there must be no further delay in freezing present wage and price levels. They insist that more restrictions must be imposed to limit profits and payment for overtime. They declare that the eight-hour day must be minimum; that machinery must be kept working as many of the 24 hours of the day as possible—and seven days a week.

Useless Without the Other

The government is moving toward the gradual control of commodity prices, but, in fear of labor's reaction, it hesitates to clamp a ceiling on wages. This despite the knowledge that commodity control is useless without wage control.

On the industrial front, some plants—on the west coast in particular—are so well organized that they are producing one and a half to three times the output of the other factories. The reason for this is not one of inherent advantages, but of proper organization. Many plants with poor equipment have scurried around and found the machinery that has enabled them to speed up production. Above all else, however, the spirit and morale of the worker is the important factor.

Trying to Build Morale

In realization of the need for morale, parades, meetings, inspirational talks, incentive buttons and merit banners are being used on an increasing scale. Industrialists are recognizing that morale campaigns must be worked out and presented with the same skill to get the interest of the public that is now used by movie producers and newspaper and magazine publishers.

One effective form of production promotion is the "Meet the Promise Plan" used in naval and mercantile shipbuilding. So successful has it been that its adoption in other industrial fields is recommended. Under this plan, companies are given a definite goal to shoot at for both time and production. When it meets this, the company is given an impressive banner to be flown over the plant and every employee gets a button bearing the letter "E" for "excellence," which he proudly wears.

Must Reduce Use

Steel is still the nation's greatest bottleneck, and civilian needs must be eliminated.

The rubber shortage is so acute that if the war stopped tomorrow, there would be no tires or tubes for civilian use for two years—except in cases where the automobile is the only available means of transportation.

The 600,000 tons of synthetic rubber now in course of manufacture might be raised to 700,000 tons, but the shortage of steel plates and copper is an obstacle to stepping up production. As it is, Washington is hoping it may get 300,000 tons of synthetic rubber in 1943.

Large American industries appear to be well guarded against sabotage. But the greatest danger of sabotage lies in the plant of the sub-contractor. One small plant for instance, might produce a single part which, if sabotaged, could hold up and render useless the product of many large plants. Some of these small companies, whose plants have been converted from peacetime products, are anxious to get credit for the war work they are doing and publish too many details about the parts they are making. This aids the saboteur and increases the danger of damage.

There are realists in Washington, men who know what to expect. And one thing they expect is bombing. They expect airplane carriers to make nuisance raids on both east and west coasts of the United States proper and on Alaska.

They warn the wishful thinkers, the complacent and the die-hards that bombing raids are only too likely. The coasts are too long to be completely protected against hit-and-run attacks. And they point out that in coastal areas are many targets that present opportunities for greater damage than at inland points.

Supplementary Bond Quotations

(Supplied by Plaxton, Cherry & McDonnell, Toronto)

Month-end Close, and Changes from Previous Month-end

March 31, 1942

Miscel. Corp. Utility & Realty Bonds:	Bid	Ask.	Chge.
‡Adel.-Peter, 6½%/48 ...	26	29	—1
*Adel.-Sheppard, 7%/48	23½	25½	+½
†Albert-Bay, 6½%/42 ...	51½	55	—1½
Alexandra Apts., 3%/55	48	51	+5
*Alex. Bldg., 6%/47	35	39	—1
Ancroft Place, 4%/56 .	38	43	—3
*Annandale C. 6½% ser.	30	..	—2
*Balfour Bldg., 3%/43 ..	46½	48½	+¾
*Bay-Adelaide, 6½%/47 .	21	24	—2
*Bay-Cumberl'd, 6½%/44	11½	13	—1
Bay-St. Albans, 4%/53.	50	54	—1½
Beach Fdry., 6%/45 ...	78½	84	—½
‡Bloor-St. G. Rlty. 7%/46	45	48	+2
Bowater Nfld., 5%/68 .	91½	95	—½
Do., 4½%/68	91½	94½	—½
Brantford Roof., 5%/59	82½	88	+½
Canada Dairies 5%/61.	59½	..	+½
Can. Machinery, 5%/54	99½	101½	+½
Do., 6%/55	95½	99	—½
Chainway Stores, 6%/53	..	99	—½
Cities Heating, 4½%/55	91	95	—1
Dom. Square, 4%/59 ..	58½	60	—1
Econ. Inv., 5%/57	98	102½	—2
Ellis Park, 4½%/45	58	60½	+½
Fed. Foundries, 5½%/50	92½	95	+½
400 Ave. Rd., 4½%/57 ..	49½	52½	—½
Gleneagles Inv., 5%/44.	55½	58	unch
Gt. Brit. & Can. 4½%/59	67½	72½	—½
Gt. West. Saddl'y 6%/48	102½	..	—½
Keefer Rlty., 5%/55 ...	24	26	+½
*King Ed. Hotel, 7%/44	6½	7½	—½
Lombard Rlty., 2½%/51	24	27	—3
*London Realty, 6½%/50	93½	97	+¾
Lord Nelson Htl., 4%/47	46	48	—1½
*Mayor Bldg., 4½%/42 ..	54	60	+½
Moodie, J. R., 6%/48 ..	97½	101	+½
Nat. Utilities, 6%/48 ..	53	58	—½
Ont. Building, 3%/43 ..	42½	45½	—1
Pac. P. & Water, 5%/57	91½	..	+½
‡Prof. Offices, 7%/33-45.	55	59	—1
Richmond-Bay, 6½%/47	95½	98	—1
*Richmond Bldg., 7%/47	9	11	—1
Royal Ex. Bldg., 6%/48	50	..	—½
Sandwich W. (Twp.) ..	18½	20½	+1
St. Cath. Stanley, 5%/57	61½	64	+½
Stand. Clay, 6%/42 ...	67½	..	—½
*Stanley Rlty., 7%/45 ..	2½	4	unch
Staveley Apts., 2½%/49	63	68	—½
‡St. Exch. Bldg., Vanc., 6%/44	38½	42½	—½
Trans-Cont. R. 5% debs.	..	91	—1
‡Trinity Bldg., 4%/52 ..	8½	10½	—½
200 St. Clair W. 4½%/58	50	55	—½
Vanc. Georgia H. 6%/47	41½	..	+½
Viceroy Mfg., 4½%/52 ..	87	94	—7
‡Wel'nton Bldg. 6½% ser.	57½	60	+½
‡Wind. Court Apt. 6%/42	31½	34	+½
W'dsor, Essex L. S. 6/59	28½	32	unch
*York Adelaide, 7%/45 .	9½	11	+½
York St. Bldgs., 6%/43.	86	90	—2

†Payable U. S. funds and Can. funds.
*Issue carries arrears of interest.
‡Currently paying on int. arrears.

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Grant Johnston & Co. Marks 25th Anniversary

From Our Own Correspondent

MONTREAL—Grant Johnston & Co., member Montreal Stock Exchange and Montreal Curb Market, this week celebrated its 25th anniversary. Grant Johnston, senior member of the firm, was elected a member of the Exchange in March, 1917, and began operating a stock-broking business under his own name at the end of that month. After the war the firm took in as partners Hugh A. Johnston and Ralph C. Bulman.

During his quarter of a century association with the Montreal exchange Grant Johnston has been active in the administration of its affairs. After serving on a number of committees for several years he became chairman of the Montreal Stock Exchange in 1938-1940. He had acted in a similar capacity to the Montreal Curb Market in 1933-34. He was also active in the formation of the Canadian Commodity Exchange and was president of that body for 1937-38.

New Brunswick's six pulp and paper mills operated at about 92% of rated capacity and used 792,000 cords of pulpwood in 1941, according to a report of the Department of Lands & Forests. Pulpwood exported amounted to 403,000 cords of which 31,000 were hardwood. These figures exceed the 1933-40 average by about 40% and mark a new record.

FEATURES

in the April issue

THE CANADIAN CHARTERED ACCOUNTANT

The future of auditing
Valuation of inventories
Some observations on the profession
Tax convention between Canada and United States
United nations' control of raw materials
Current accounting literature

Published monthly. $3.00 per annum. Subscription open to all. Publication Office, 10 Adelaide Street East, Toronto.

RIDLEY COLLEGE

ST. CATHARINES, ONTARIO FOUNDED 1889

Lower School—Boys 8 to 14 years Upper School—Boys 14 to 18 years

OPEN SCHOLARSHIPS AND LEONARD AWARDS

For Entrance to Upper School—Six Old Boys' Memorial Scholarships of the annual value of $500.00 each

For Entrance to Lower School—Ten Dr. J. Ormsby Miller Memorial Scholarships of the annual value of $300.00 each

Leonard Awards—Open to boys entering both the Upper and Lower School

Applications for the examinations for the above Scholarships and for the Leonard Awards must be made before May 1st.

For full information write H. C. Griffith, M.A., LL.D., Headmaster.

Australia Suspends Newsprint Shipments; 60,000-ton Market

From Our Own Correspondent

MONTREAL. — Shipments of newsprint paper from Canada to Australia have been suspended, according to an announcement of Customs Minister R. V. Kease. He said all shipping space must be reserved for more urgent war needs. Australia's current stock, plus current production, which is still in its infancy, will last two years.

Loss of this market means that sales of Canadian newsprint companies will be affected to the extent of between 60,000 and 70,000 tons in 1942. In 1940 Canada shipped 164,021 tons. There was a relatively sharp decline in 1941. Indicated demand for the current year was placed at a top figure of 70,000 tons.

As far as can be learned at this stage the action of the Australian government is not being followed by New Zealand, India or other markets in the Far East. These countries have no domestic source of supply of newsprint and on that account are wholly dependent upon supplies received from Canada. Australia on the other hand has a small mill, producing around 30,000 tons annually, which can take care of a fairly large share of consumption on the present reduced basis.

Can Still Buy New Automobiles

Warning against a motorist "stampede" to take cars off the road, Howard B. Moore, general manager of the Federation of Automobile Dealer Associations of Canada, called attention this week to the existence of large stocks of new cars, complete with tires, still available for sale.

States Mr. Moore: "The Motor Vehicle Controller has placed some 4,000 cars into what is termed an 'official pool,' and none of these cars can be sold by dealers without permission from the controller. These are being held for release on orders from the controller to those engaged in health and fire fighting services, maintenance of police service and such essential purposes. But outside the official pool are thousands of other cars, manufactured before stopping car production, which have only recently been delivered to showrooms. These are for sale without restrictions."

Also available are thousands of high grade used cars, with tires in good shape, Mr. Moore stated.

Sees Further Oil Sacrifices

Canadian Oil Head Stresses United Nations' Need For Petroleum

It is doubtful if Canadian motorists are fully cognizant of the seriousness of the present oil situation, John Irwin, president, told the Canadian Oil Cos. annual meeting. He stated that Canada's war needs and those of the United Nations must come first and that this will entail further sacrifice on the part of the motoring public.

Intensification of enemy submarine attacks off the Atlantic and Pacific coasts has taken a toll of tankers, a form of transportation on which this continent is dependent for a large portion of its supplies of crude oil. Mr. Irwin recommended whole-hearted co-operation with the gasoline rationing plan which started in Canada April 1.

On outlook for the company Mr. Irwin said that under present circumstances it is difficult to forecast with any accuracy.

New Formula Job Insurance

By STAFF WRITER

OTTAWA. — An entirely new formula for defining those who are to be included henceforth in the National Unemployment Insurance scheme, is shortly to be submitted to the government, The Financial Post is informed.

What is proposed is that all persons paid by the week, the hour, or by the piece shall be eligible for insurance irrespective of how much they earn. In short the present salary limit of $2,000 is being lifted so far as all manual, factory or trades workers are concerned.

All other persons (those paid by the month, salesmen, commission men, etc.) will contribute to the fund and be eligible for its benefits only if their earnings total less than a certain stated amount (possibly $2,400).

Keep Limit on Benefits

One important point which will also be established in the new proposals is that the limit of insurance, in so far as amount of contributions, benefits, etc., is concerned, will be retained at the present limit of $2,000 or else raised slightly, possibly to $2,400. What this means is that under the new proposed regulations, the top limit of insurance which can be carried will remain the same whether the worker receives $3,000 or $5,000 by way of weekly or hourly or piecetime remuneration.

Reason for changing the present act was the fact that higher war earnings had forced out of the scheme many workers whose wages had risen above the present $2,000 "top." Under an order passed some weeks ago, the Advisory Committee of the Unemployment Insurance fund was empowered to hold public hearings and ascertain what changes if any should be made in the act to meet the changed circumstances.

This week, The Financial Post asks

New man-power mobilization programme exempts childless married men from military service. Do you agree and why?

Philippe Bechard,
President, A. Belangee Ltee., Montmagny, Que.

I cannot give a competent opinion on the question referred to in your telegram. Three of my sons have enlisted for overseas service and one was killed last month fighting in the air force over England.

Everyone must in his capacity help defend our country and our civilization and the intensifying of effort should be left with those who have knowledge of the imminence of the danger.

* * *

Georges Belleau,
Vice-president, La Caisse d'Economie, Notre Dame de Quebec.

I approve the plan of man power mobilization for military service in Canada in the case of all single men who have no family to take care of.

I believe that mobilization of single men, taking care of their family, and married men without children, should come immediately after.

* * *

W. A. Barnes,
Editor, Standard-Freeholder, Cornwall, Ont.

Exempting childless married men under the newly proposed programme is obviously a radical reversal of the existing policy by which the army has absorbed hundreds who married just prior to or since the outbreak of war.

Without championing either angle I would suggest that the programmed step may engender deep dissatisfactions within the armed forces from childless married men caught in prior call ups.

Granted that growing defense urgencies demand expanded armed forces, I believe that all called upon to serve should be inspired by the realization that their task is being allotted under a governmental programme made strong by its elements of equity and stability.

H. G. Brewer,
Montreal Star, Montreal.

The probable reason for not calling up childless married men at this time is to avoid paying dependence allowance. Presumably they will be the next on call when needed.

* * *

Mrs. Miriam Chapin,
Secretary, Wartime Day Nurseries Committee, Montreal.

Certainly not, if the new regulations are so interpreted. If we are to survive as a nation every man — and woman — must serve where he can be most effective regardless of personal obligation. Canadian women are ready to share the work and danger. The Axis does not ask if we are male or female, married or single, before it drops bombs on us.

Wives of soldiers can work in munitions or on the land. We cannot afford one idle person. Only use of all resources can save Canada. Unfitness, essential employment, or helpless dependents are the only valid reasons for exemption.

* * *

Mrs. Guy Denton,
President, Whirlwind Club, a women's war work organization of Winnipeg.

Decidedly not. In a national emergency such as the present all out effort should include every available man, married or single.

A childless married man has equal duties to the state and, if his wife is provided for by an allowance, he should be prepared to make equal sacrifice as single men.

This is a total war and every man and woman should be prepared to do his or her part.

* * *

Dr. Dorothy Turville,
President of the Canadian Federation of University Women, and on the staff of University of Western Ontario, London, Ont.

In the present struggle, involving incalculably important issues, all the best skill, intelligence and strength must be put at the service of the country in order to outwit and overwhelm by brute force the machinations of crafty and unscrupulous forces of evil to attain that end.

All trained man power and woman power should be made available for any form of service, military or otherwise, for which it is best suited. If this aid is not rendered voluntarily then it must be requisitioned without exemption, especially where social disruption does not affect the rising generation.

George Cruickshank, M.P.
Member for Frazer Valley, B.C., in the House of Commons, Liberal, and served overseas in first Great War as Captain in 29th Battalion.

I think married men with no children should be called up the same as single men. They have more at stake. They have no reason for exemption. Dependents allowance for all ranks should be raised. The limit should be raised to at least 35. Every man or woman needed should be called on a selective basis both for military and civilian needs. Let's win the war.

Margaret Hyndman, K.C.,
Provincial vice-president (Ontario) Canadian Federation of Business and Professional Women.

The exemption mentioned is another demonstration of the inability of government leaders to gauge the strength of will of the common people of Canada to work and to sacrifice to the limit to win the war. It also shows once more that the Government cannot realize or will not recognize what Canadian women know, that the war is as much women's fight as men's.

No decent Canadian woman wants to buy her freedom or her life or that of her husband at the cost of others, nor to have her husband hide or be made to appear to hide behind her skirts.

* * *

G. S. Halter,
President, Amateur Athletic Union of Canada, Winnipeg.

The only reason for distinguishing between single and childless married men is because the married man is presumed to have his wife dependent on him. Yet in many cases the wife of a childless married man is either not dependent on his earnings or is capable of self support.

For that reason I am of the opinion that childless married men should not be exempted, but that a childless married man should be able to obtain deferment upon establishing that his wife is incapable of self support.

* * *

George J. McIlraith, M.P.,
One of the youngest members of the House of Commons, a Liberal, representing Ottawa West.

The statement in your question "new man power mobilization exempts childless married men from military service" is not factually correct. Such men are not exempted, but are merely not yet compulsorily called to military service. Childless married men will continue to enlist voluntarily in the armed forces or in war production until single men and childless widowers are first called up.

* * *

William Noakes,
Editor, Brandon Daily Sun, Brandon, Man.

The only reason I can see against compulsory service for childless married men is small in comparison with the serious need of defense and offense. It is that the wives follow their men to camp sites and accentuate already acute housing situations for nearby towns and cities. Otherwise I am for all out war effort and conscription to that end.

* * *

J. H. Sutherland,
President, Canadian Teachers Federation, Vancouver, B.C.

Your question is too narrow. Full mobilization and use of resources including man power and woman power is required. Many people training for specific, essential jobs are leaving for new duties which require new training at public expense, while vacated positions are filled with untrained people or people who in turn must be trained, thus involving two training costs where one might do.

A selective service programme is needed to assign man power and woman power to positions where the best service could be rendered whether in the armed forces, war industry, civilian defense, or essential civilian services.

* * *

Louis G. Howard,
Dominion president, Army and Navy Veterans of Canada, Selkirk, Man.

Under present circumstances I am in favor of childless married men being in the exempted class, as apparently the number of single men available is sufficient to tax the accommodation in camps, training personnel and equipment.

Married men called to the colors would impose an extra financial burden on the treasury, which outlay could be well utilized in the meantime to provide the tools to finish the job. As single men are absorbed, then doubtless, present exempted classes would be called as required.

* * *

George Cockshutt,
Prominent industrialist of Brantford, Ont.

Married, childless men should be exempt from military service only so long as there are sufficient single men to fill the ranks of the armed forces. Unmarried men who are the sole support of a widowed mother should be in the same category as married, childless men.

Every ablebodied man should be called for service as and when needed in the categories in which they belong, single men, married childless, married with two children, and so on.

Total war requires total effort.

London Calling
by Adelphi

LONDON. — Sir Archibald Sinclair, was giving the air estimates recently. His speech was guarded, carefully prepared and not very exciting, but half way through he inadvertently caused the loudest laughter that I have heard for months.

Pausing, pontifically, he said: "The House will remember a recent evening newspaper cartoon in which the late lamented Colonel Blimp was shown assiduously endeavoring to fit square pegs into round holes." Then he paused dramatically. "I can assure the House," he said, "that in the Air Ministry we are doing exactly the opposite."

The roar which greeted this completely nonplussed the Minister. When at last a colleague murmured the explanation Sinclair threw up his hands in mock despair.

"I should have said that in the Air Force we are working on an opposite principle," he explained.

Beaverbrook used to refer to the neat, debonair Sir Archibald as Sir Archibald Gladstone and it is true that the Scottish baronet does recall the days when politics had an intellectual and social background, and when the manner of a speech was as important as the substance. Now as Secretary of State for Air we hear him but seldom and there is understandable curiosity to see how he had weathered the heavy months of office.

* * *

Both American Mothers

It is interesting to note how Winston Churchill runs like a thread through Sinclair's career. Both had American mothers. Before the last war the older Churchill was the idol of the young Scottish soldier-baronet. In 1915 when Churchill took command of a battalion in the line, Sinclair was sent to him as a major. After the war Sinclair was his secretary at the Colonial Office. Now they are comrades in arms again. Sinclair has great charm and a splendid character but I doubt if a man designated "Sir Archibald Gladstone" will reach the very top in these hurried, ungraceful days.

* * *

All-weather Man

A. V. Alexander brought in the naval estimates. His was a grim story, the story of a Navy at war in all weathers and against a host of foes.

He has had a tough passage, but he is bull-necked and has a fighter's jaw. Such men do not go down easily.

* * *

Unexpected Reaction

Strangely enough the dropping of David Margesson roused the sympathy and resentment of the Socialists. After all, they had small reason to love the dark, handsome Margesson for he had been Chief Government Whip under Baldwin and Chamberlain and was the sworn enemy of Labor. But paradoxically the Socialists did not like a civil servant being promoted to minister. This was against tradition and British labor is deeply attached to tradition. They said that the chief civil servant could not dissociate himself from the regime of the minister under whom he served and, therefore, if Margesson had been a failure Sir James Grigg should share that blame. In fact their attitude was much the same as that which once prevailed in India when the widow was buried with her husband when he died.

Margesson took his dismissal well and in his first public speech urged the country to rally behind his executioner, Mr. Churchill. Consequently the ex-chief whip is enjoying a glow of popularity, albeit an Indian summer glow.

* * *

No Boiled Shirts

In the midst of all its worries and discouragements London found it possible to get excited over a theatrical first night. The occasion was the return to the London stage of Miss Vivien Leigh (Scarlet O'Hara of "Gone With the Wind"). The play selected was that old five-act masterpiece of Shaw's "The Doctor's Dilemma" and the theatre was the dignified "Haymarket."

There was a great scramble for tickets and crowds of people stood in the street to watch the celebrities arrive for the opening which was timed for 6 p.m. There were plenty of celebrities but not one person in evening dress. London has definitely put away the boiled shirt for the duration.

No Goddess Apart

"The Doctor's Dilemma" dates less than any of Shaw's plays. The enthusiasm of the medical profession for pet theories and the forcing of a diagnosis to fit those theories is as old as sickness itself. And then the question of whether a rascally artist's life was better worth saving than that of a hack general practitioner sets a pleasant puzzle to the conscience.

Miss Leigh played the artist's wife and as one critic put it "did the whole thing in technicolor." She is a lovely creature, an exquisite bit of marble that does not melt. She definitely has an aura and revives memories of the days when women of the stage were goddesses apart, but she is not a great actress.

As the play lasted from 6 to 9 the audience grew hungry with the result that there was only restrained enthusiasm at the end. However, Miss Leigh broke all records when she toured the play in the provinces for a month before bringing it to London, and the cinema fans will crowd the Haymarket to see their favorite in the very attractive flesh.

* * *

Shiver, Not a Purr

February in Britain was the coldest in 56 years. March has distinguished itself by a snowstorm. We look forward to April with some apprehension.

It is true that Browning immortalized the girlish month by his "Oh to be in England now that April's there," but there are cynics who maintain that what he really said was "Ooh! To be in England" and said it with a shiver.

At any rate the winter of 1941-42 has been one of much discontent. The health of the nation has been surprisingly good, but tempers have been bad. Singapore and Malaya have bitten deep into British pride. The destruction of Coventry was one thing, but when the enemy invades the outer Empire then the Englishman is moved to a passionate anger.

* * *

A strange thing about this war is that it has produced no great books or plays or music. Nor have the poets given tongue like they did in 1914. But oddly enough some lovely things have come from Air Force pilots who commune with the stars and the moon. Today I received a little poem from the wife of a Spitfire pilot. I wonder if it will touch you as it did me.

September 1940

And now, these children of an earlier war
Seek in swift combat in the English sky
The Beast that was their fathers' enemy.
—Say this of them, when they can speak no more,
They kept as clear their secret altar fires
Here in this pleasant land where peace aspires
And, dying, worthy of those earlier years
Gave us as recklessly their blood and tears.

Flowers will blow again among the grass,
And larks will sing above them in the sun,
Night will return, and stars show one by one,
Over the land the seasons come and pass.
Sunlight and storm still paint our English sea
—All this they lost that we might hold it, free.

* * *

Epilogue

So far I have made no mention of Sir Stafford Cripps. In this tailpiece I shall make amends.

Someone once asked what the difference was between Stafford and his brother the Honorable Freddie who married the Duchess of Westminster.

"Oh," said a friend, "when Stafford wakes in the morning he gets up at once and begins to plan his day. When Freddie wakes he orders a very hot cup of tea which is placed by his bedside, but he does not drink it. Every now and then Freddie feels the cup. When it is stone cold he knows it is time to get up."

There is another difference. Freddie went to Russia on business and lost money. Stafford went to Russia and . . . But you know all about that.

Arms, Munitions, Food: They Must Get Through

Every ship carrying these vital cargoes : : : the life line of a nation : : : is protected against ordinary perils of the sea. But merely normal safeguards are not enough : : : too much is at stake. Fighting escorts ensure *extra* protection.

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The business life line—collection of Accounts Receivable—is constantly endangered. Your credit department is entirely adequate for measuring ordinary credit risks. But the crippling blows result from *extraordinary* credit conditions : : : from conditions developing after credit has been approved and the goods have been shipped. What would the failure of a big customer do to your working capital : : : or to your year's profit?

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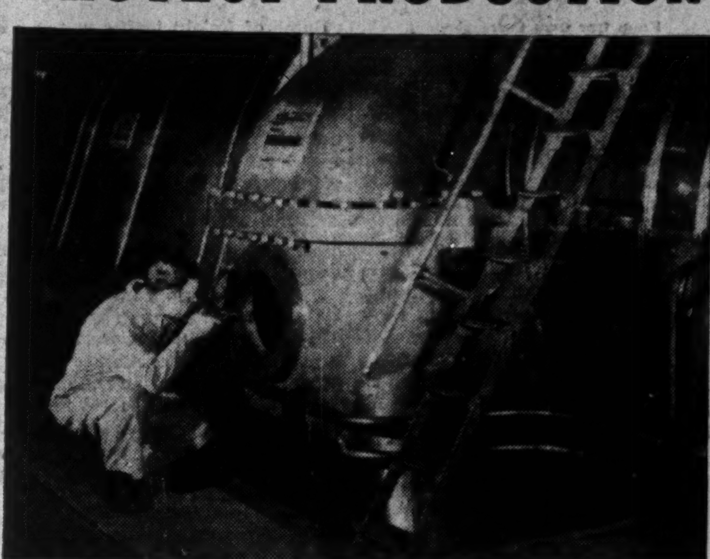

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THOSE four slightly tongue-twisting words in the heading—"Protect Production By Prevention"—have an especially deep significance now.

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It explains why The Boiler Inspection Company expends between 46 and 47 per cent. of the premiums it receives toward *preventing* power equipment failures. And, in turn, the benefits policyholders derive from its engineering set-up are one of the most important reasons why The Boiler Inspection Company is chosen to write more boiler and machinery insurance in Canada than is written by all of the other twenty-odd companies in this exacting field.

To-day's critical need for war materials on a very large scale makes protection against industrial power plant accidents more vital than ever before. If your choice is the Company which your agent or broker can tell you is the oldest and largest of its kind in Canada — a Company which specializes exclusively in power plant insurance — *you will be the gainer!*

Power Plant Insurance by Power Engineers! — covering Boilers, Steam, Gas and Diesel Engines, Turbines, Pressure Vessels, Electric Equipment.

Ask your agent or broker about the Boiler Inspection Company.

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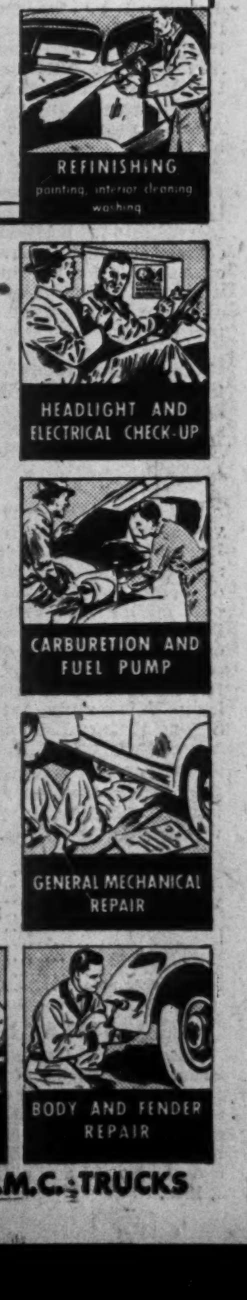

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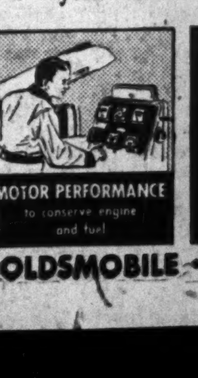

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C. P. R. Goes to War

Equipment Utilization in 1941 Reaches New Peak

From Our Own Correspondent

MONTREAL.—Equipment of the Canadian Pacific got more use in 1941 than ever before in company history.

Increased traffic resulting from war activities brought the extension of a number of railway facilities which were adequate for normal business.

During the year 36 miles of new yard and siding tracks were constructed and 71 miles of new industrial tracks were provided to serve 115 new plants undertaken throughout the Dominion.

Most of this construction pertained to war projects.

Whole Fleet in War Service

The entire fleet of ocean steamships, together with two units of the British Columbia coastal fleet, are either in the service of the Minister of War Transport of the United Kingdom or serving as auxiliary craft with the Royal Navy.

In addition, the company operates one elementary flying training school, six air observer schools and three plants for the overhaul of planes and engines. An additional overhaul plant is now under construction.

Doing War Work

C. P. R. is engaged extensively in the manufacture of war supplies and materials. At the year end production of Valentine tanks numbered three a day.

Preparatory work for the construction of naval guns and mountings was completed and production was under way shortly before the close of the year. An entire locomotive shop at Ogden is devoted to this purpose.

Income Up 29.5%

Rising wartime activity and delayed movement of the 1940 wheat crop resulted in an increase of $50.5 millions, or 29.5% in gross earnings.

The income account, issued a few weeks ago, showed net revenue at the highest level in some years. The pamphlet report now shows that included among the working expenses of $175.4 millions was a special reserve of $3.5 millions in anticipation of maintenance expenditures necessary after war.

Above 1928 Peak

In the report Sir Edward Beatty, chairman and president, points out that freight earnings last year increased by $41.5 millions or 30.6%. They were exceeded only in 1928, when the greatest grain movement in company history occurred. The volume of freight traffic was 21.5% above the 1928 peak, while the average revenue per ton mile dropped to 0.79 cents, the lowest since 1917.

Apart from grain and grain products, freight earnings reached record level with a gain over the previous year of 28.1%, almost entirely due to war. Increases took place in every major commodity group, the most striking being in manufactured goods, lumber and coal.

Carry More Passengers

Passenger earnings increased 37.5% over 1940 and were the highest since 1930. The average passenger journey in 1941 was the longest yet recorded, rising to 144 miles as compared with 119 miles in 1940. This was offset by a lower average revenue due to low rates for the armed services.

Discussing working expenses, Sir Edward said they were higher because of the cost-of-living bonus. If the present bonus rate is maintained, he added, it will involve an annual expenditure of more than $10 millions.

In spite of higher labor, fuel and material costs, the ratio of transportation expenses to gross earnings was the lowest on record, being 32.62% as against 33.97% in 1940.

Efficiency Maintained

A high degree of efficiency was maintained.

Freight Operations:	1941	1940
Train loads, gr. tons	1,759	1,747
Fuel consumed, lb. per M. miles	98	97
Train speed, m.p.h.	17.2	17.5
Car movement, miles per car day	46.2	36.3
Car load, tons	31.86	30.12
Gross ton miles per freight train hour	30,312	30.653
Rev. passenger miles per train mile	74.33	55.67

Steamship Fund Grows

Because of wartime restrictions little is said of steamship operations. The decrease in net earnings, Sir Edward said, is because fewer ocean vessels are operative. The steamship replacement funds have been increased from $18.6 millions to $21.5 millions.

Every hotel operated by the company reported improved earnings last year.

Communications services reported increased earnings, accounted for largely by gains in ordinary commercial telegraph transmissions and telegraph tolls on cable messages.

Reduction in Debt

Of particular interest to shareholders was the statement by Sir Edward that financial transactions for the year provided for retirement without refunding of $29.5 millions of bonds, notes and other obligations and in a reduction of $8.2 millions in the amount of consolidated debenture stock issued as collateral.

Air Lines Interest

For the first time the company devotes considerable space in the report to the air services. Details are given of the C.P.R. interest in setting up the R.A.F. Ferry Command and with respect to acquisition of a controlling interest in various Canadian air lines.

Investments in these affiliated air companies, including advances for the purchase of equipment, additional working capital and other requirements, now amount to approximately $3.4 millions. Further steps are being taken, says Sir Edward, toward consolidation.

During the year the company put into service a large amount of new rolling stock, but at the end of the year 35 locomotives, 150 automobile cars and 25 additional first class coaches were still undelivered.

Will Spend $14 Millions

For the current year the company plans capital expenditures of nearly $14 millions, of which about half will be on new rolling stock. This contrasts with an outlay of about $21 millions the year before when well over half was represented by the rolling stock account.

The principal items of the capital programme for 1942 follows:

	$
Permanent structures	311,943
Property additions	1,178,630
Roadway betterment	1,819,769
Rail replacement	772,769
Automatic signals	100,613
Shop machinery	454,654
Terminal facilities	683,627
New rolling stock	7,766,432
Rolling stock additions	423,974
Hotel additions	16,586
Communications	260,951

Appropriations for new rolling stock provide for construction of seven Pacific type locomotives for passenger and fast freight service, 20 Mikado for heavy freight service, 500 40-ton steel box cars, 250 50-ton steel box cars, 150 70-ton ore cars and 30 cabooses.

Balance Sheet Changes

Principal changes in the balance sheet for 1941, not made public at the time the income account was released, follow:

Balance Sheet Changes

	1941 $	1940 $
Cash	48,043,813	38,029,312
Material & supplies	25,125,019	18,857,226
Advances	27,093,673	25,973,756
Unsold lands	22,990,193	24,689,654
Steamship fund	21,545,701	18,620,839
Funded debt	177,581,522	207,780,475
Property	855,795,869	846,653,117

TAKES NEW POST

R. H. Dunlop, chief clerk in the office of the vice-president and general manager, eastern lines, Canadian Pacific Railway, Toronto, has been promoted to the position of car accountant with headquarters at Montreal. One of his jobs is to know the whereabouts and condition of every car all the time.

Ontario Bill Rouses Ire of Municipalities

Legislation designed to extend the supervisory powers of the Department of Municipal Affairs introduced into the Ontario Legislature has created something of an uproar among some Ontario municipalities.

The bill, introduced by Hon. T. B. McQuesten, minister of municipal affairs, amends the Department of Municipal Affairs Act which at present gives the department general supervision over municipal institutions and their administration. The amendment deletes the word "institution" and makes the particular sentence read:

"The department shall exercise general oversight over municipalities and their affairs and shall in respect of any municipality have control and charge over the performance of its duties and obligations."

A second amendment has reference to the power of the Minister and states:

"There shall be a department of municipal affairs, over which the minister shall preside, and the minister shall have the power to act for and on behalf of the department."

Some municipal interests have classed the McQuesten step as an overly broad, retrograde move which would tighten control of his department over the Ontario municipalities to a point reaching almost complete subjugation. Toronto's City Council unanimously passed a resolution condemning the bill as "an undemocratic measure without regard to the will of the people and a threat to our whole system of responsible municipal government."

Others in municipal affairs express the view that the province already exerts a fairly complete control over the municipalities and that the new legislation will not mean the usurping of much more power by the province.

In defense of the measure Mr. McQuesten and his deputy A. J. B. Gray state that there is no intention of stripping the municipalities of their independence. Desire of the department is expressed as being a system of control through careful advice to the municipalities to prevent them getting into any postwar difficulties similar to those of 1932.

It is Not a Hardship to Economize

Expenditures postponed or eliminated—
Release dollars for investment in Victory Bonds.
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Trends IN INVESTMENT

Canadian stocks are getting some attention in New York these days. So long as Canadian stocks can be bought in New York at 25 to 30% discount from the price quoted in Canadian exchanges they are thought to be cheap. There is also a feeling that this differential will disappear whether or not the two currencies are brought to parity. Canadian Pacific common is well regarded as a speculation.

One important group of institutional investors which already hold substantial blocks of leading Canadian gold shares has decided to hold its gold stocks. They are not going to buy any more at present but expect to do so when it looks as though the war was drawing to a close on the ground that there would then be a further writing up of the price for gold.

* * *

New York stock market as a whole is said not to have gone down as much as the averages would indicate. The averages are made up chiefly of stocks of leading corporations which are going to be hardest hit in the coming tax programme. Considerable advances have been seen in certain types of securities such as speculative railway securities which have doubled in recent weeks.

There is said to be a feeling that the market could go lower if Germany launches a major offensive which meets with some initial successes. The succession of defeats for the Allies has been a major factor in stock market uncertainty, bringing a realization of the tremendously harder task the United Nations have to do to win.

Prospect of constantly increasing taxation, with continued doubt as to where it will fall, is another factor weakening the stock market. There is said also to be a deep-seated gloom in certain financial and business circles which feel that, while a victory for the United Nations is certain eventually, it is still difficult to invest money so as to be in a good position in the event of something approaching an "economic revolution" after the war.

Investment Notes

Manitoba Power Commission 1941 net profit totalled $224,986, up $85,040 from 1940 and the highest yet reported by the provincial hydro system. Gross income in 1941 was $1,536,304 with operating expenses of $697,912. The report tabled in the Manitoba Legislature showed that in the past ten years the system has increased its service tie-ups from 61 to 161 villages and towns. It now has 2,002 miles of transmission lines compared with 1,038 in 1932 while during the 10 year period there has been a reduction in the average customer's cost from 3.836 cents a kilowatt hour to 2.475 cents.

CANADA MALTING CO., LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of CANADA MALTING CO., LIMITED, will be held at the Mount Royal Hotel in the City of Montreal, on Tuesday, the 21st day of April, 1942, at the hour of 11.30 o'clock in the forenoon, to receive and, if thought fit, adopt and approve the Annual Statement and Auditors' Report, to elect directors and appoint auditors for the ensuing year, and to fix the auditors' remuneration, and to transact such other business as may properly come before an Annual Meeting.

By Order of the Board.
JOHN P. HEIGHTON,
Secretary.

Montreal, Quebec,
February 20, 1942.

NOTICE to holders of Share Warrants under the regulations of the Company adopted by the Company.

Holders of Share Warrants, in order to vote at the above meeting, must deposit their share warrants with the Toronto General Trusts Corporation, the Transfer Agent of the Company, or with a chartered Bank, and receive a voting certificate, which must be produced at the meeting or filed with a proxy before the meeting. Forms for this purpose can be obtained from the Toronto General Trusts Corporation, the Transfer Agent of the Company, at its Toronto office, or from the office of the Canada Malting Co., Limited, Royal Bank Building, Toronto.

Bond MARKETS

Alberta bonds have picked up appreciably since March 20, date of the Social Credit caucus which gave Provincial Treasurer Solon Low a free hand to negotiate refunding of the province's debt. Up to that time outlook for working the tangled Alberta debt situation was not good. The Social Credit adherents back in October had put themselves on record against an upward adjustment of interest rates in any refunding plan. However, in the meantime some changing of minds has apparently been going on for at the March 20 caucus Mr. Low was told to go ahead and make the best deal he could. The Bondholders' Committee has already expressed willingness to continue discussions on the refunding question.

With hopes aroused that a settlement will be reached, Alberta bonds immediately showed much improved market action. Traders report that while there has not been a very heavy volume of bonds change hands the price mark-up since the Social Credit caucus has been substantial. Since March 20 quotations on Alberta issues show gains of six points for the 4½'s of '54, 5½ points for the 4½'s of '56, five points for the 5's of '59 and similar gains for other maturities.

* * *

Three more Alberta acts have been disallowed by the Dominion: the Debt Proceedings Suspension Act, 1941; the Orderly Payment of Lands Act, and the 1941 amendment of Limitations of Actions Act, 1935. This brings to nine the total of Alberta provincial acts disallowed by Ottawa.

* * *

Premier Aberhart commented that the Alberta Government is being forced into a position where two courses are open: a new moratorium on all debts for the duration of the war, or cancellation of the principal of all debts contracted "before a certain date."

* * *

Victory Loan totals show subscriptions of $993,884,350 with $841,766,350 representing cash subscriptions and $152,118,000 conversion subscriptions. Number of subscribers totalled 1,643,013.

* * *

Basis of commissions paid to individual salesmen was ⅝ of 1% on the 12-year bonds and ⅜ of 1% on the six-year issue. This was an increase of ⅛ of 1% over the commissions paid on the 1941 Victory Loan but this time no commissions were paid on subscriptions classified as employee subscriptions. Response in this latter category was the particularly outstanding feature of the Second Victory Loan campaign.

* * *

Sales of War Savings Certificates from May, 1940 to Feb. 28, 1942, totalled $126,326,436. Sales by provinces were as follows:

	$
Prince Edward Island	435,675
Nova Scotia	6,208,875
New Brunswick	3,356,084
Quebec	23,375,713
Ontario	60,910,021
Manitoba	8,548,614
Saskatchewan	5,864,328
Alberta	7,052,833
British Columbia	10,554,293

TREASURY BILLS

Dominion of Canada has sold an issue of $45 millions treasury bills at an average price of 99.86012 for an average cost basis of 0.550%. This compares with a cost of 0.552% in the last previous sale. The latest issue is dated April 1 and will mature July 3, 1942.

Quebec Balances Budget With $1.5 Million Surplus

From Our Own Correspondent

MONTREAL.—Quebec reports an over-all surplus in the fiscal year ended March 31, 1942, estimated at $1.5 millions.

For the coming fiscal year Hon. J. Arthur Mathewson, K.C., Provincial Treasurer, is budgeting for a surplus of some $390,000 despite record expenditures.

For the coming year, Mr. Mathewson announced expenditures which total $89.3 millions made up of $77.9 millions of ordinary account and over $11 millions on capital account. This includes an increase of $3 millions for educational purposes; $1.2 million to cover the cost-of-living bonus to government employees; $1 million more to needy mothers and $500,000 for unforeseen but urgent public work.

Expectations are that when the provincial treasurer brings down his budget, there will be a number of tax reductions. The bridge tolls were abolished on April 1 and there is talk of eliminating a number of "nuisance" taxes.

Comparative figures on expenditures for the 1943 and 1942 budgets follows:

Department:	1943 Budget $	1942 Budget $
Legislation	789,800	740,700
Treasury	20,321,682	18,166,976
Attorney - General	5,224,100	5,193,600
Executive Council	1,555,800	1,429,497
Provincial Secretary	4,946,400	6,045,900
Education	8,082,670	4,744,470
Health and Social	6,060,000	5,959,000
Public Works	4,355,063	3,793,733
Mines, Maritime Fisheries	1,230,500	1,285,900
Labor	6,793,500	5,892,500
Agriculture	7,225,000	6,466,500
Roads	14,678,000	14,600,000
Lands and Forests	2,838,800	3,403,100
Fish and Game	535,000	†
Colonization	3,933,200	4,200,000
Municipal Affairs, Trade and Commerce	546,500	500,000
Economic Reconstruction	170,000	1,158,200
Total	89,295,835	83,580,077

† With lands and forests.

No particulars are available as yet as to the make-up of revenue for the current fiscal year. Much of the province's income will come from Ottawa, some $32 millions judging by Ottawa reports.

Massey Head Is Hopeful

Preferred Shareholders Elect Three Directors to New Board

Increasing participation of Massey-Harris Co. in the armament programme of Canada and the United States will go a long way to offset expected reduction in output of the company's standard line of implements this year, J. S. Duncan, president, told shareholders at the recent annual meeting.

He pointed out that the war had closed, or greatly restricted, market for farm implements and tractors in many countries. In others higher prices for agricultural products and farm labor shortages had more than offset these losses.

The company's sales in Canada last year closely approximated those of 1940 in spite of partial failure of the western wheat crop. Greater diversification of western Canadian farming now is helping the company while collections throughout the Dominion are satisfactory.

Last year the company obtained a record volume of business from the United Kingdom while higher farm income in the United States resulted in greatly increased turnover in that country.

Preferred shareholders, in accordance with the recently completed reorganization plan, elected E. P. Taylor and Gordon C. Leitch, Toronto, and W. L. Bayer, Montreal, to the board of directors.

Directors elected by common shareholders were: J. S. Duncan, J. H. Gundy, H. B. Housser, J. F. Lash and F. K. Morrow, Toronto; G. W. McLaughlin, Oshawa; W. H. Moore, Pickering, Ont.; C. W. Webster, Montreal; W. K. Hyslop, Racine, Wis.

Bond Redemptions*

Amer. H. Tire	*7%	1943	May 1	105
Stand. Lime	†6%	1944	May 1	102

*$23,700. †$20,500.

British Increase C.P.R. Holdings

MONTREAL.—British investors continue to maintain their interest in the capital stock of Canadian Pacific Railway. At the end of 1941 there were more British shareholders than at the close of the previous year.

The percentage of stock held by different countries at the close of 1941, follows:

Holdings of C. P. R. Stock (Ordinary and Preference)

	Percentage 1941	1940
Canada	12.66	12.98
U. K. and other British	65.96	65.75
United States	16.16	16.00
Other countries	5.22	5.27

B. A. Oil Sales Are Up Again

Sales of all products marketed by British American Oil Co. in the first three months of 1942 were higher than for the same period last year, states A. L. Ellsworth, president, in a report to shareholders. This growth is due to greatly increased demand for fuel and lubricants by war industries. This trend is expected to continue and "will offset, to a considerable extent, the reduction in gasoline sales due to the rationing programme."

Mr. Ellsworth mentions rapid expansion of the company's marketing division in the past decade, necessity of having adequate supplies of the right grade of crude oil and the present construction of a new refinery at Clarkson, Ont., to produce aviation gasoline and lubricating oil. This has made necessary more urgent demand for parallel exploitation of crude oil resources and accumulation of reserves.

This need led to the appointment to the parent company's board, and as an executive vice-president, W. K. Whiteford, for the past seven years vice-president of the company's United States subsidiaries, British American Oil Producing Co. and Toronto Pipe Line Co.

Minnesota and Ontario To Pay 1941 Interest

All interest accrued on the new 5% bonds of Minnesota & Ontario Paper Co. for 1941 is being paid May 1, 1942, the company announces in presenting its annual report for last year. Interest on these bonds is cumulative but payable only when earned.

Last year M. & O. had to purchase 31,009 tons of newsprint from other manufacturers to satisfy customer contract requirements. Power shortages prevented manufacture of this additional newsprint by the company or its subsidiaries.

Details of the output last year are:

1941 Output

	Tons
In Canada:	
Newsprint	162,224
Groundwood specialty papers	1,431
Sulphite pulp (excess)	6,070
In the United States:	
Groundwood specialty papers	31,815
Kraft papers (incl. bags)	33,974
Sulphite pulp (excess)	26,030
Wallboard, sq. ft.	200,121,596

Shortage of hydro-electric power was caused early last year by deficient water supply and brought restricted manufacturing operations at the International Falls and Fort Frances mills. In the early autumn of last year flood conditions brought another curtailment but water conditions are now termed satisfactory.

To minimize danger of future power shortages, construction of a steam power plant is under way but completion is delayed by failure to deliver the steam turbine generator unit because of war priorities. When completed this plant will provide an additional 10,000 h.p. of steam-electric power and additional steam for manufacturing operations.

Canadian pulpwood concessions are valued at $1 million, less depletion at 25c. a cord. Agreements with the Ontario Department of Lands and Forests covering these concessions expired early in January this year. Informal approval has been secured for a satisfactory renewal of these concessions.

Sale of the Insulite Co. of Finland was announced last year for $500,000 cash and collections of $22,021 received by the company. Deducting this amount from the directors' valuation of European assets at March 1, 1941, leaves a balance of $443,943 at Dec. 31, last. Latest advices indicate the Insulite Co. of Finland operated at a profit in 1941 and that 1941 interest on the loan will probably be paid into the blocked currency account.

Robt. Mitchell War Work Big

Highlights of the report to shareholders of Robert Mitchell Co. by S. C. Holland, president and managing director, at the recent annual meeting are:

(1) More than half of all Canada's output of brass cartridge cases are to date produced by the company.

(2) Employment has grown from 300 at the end of 1939 to 1,200 at the end of 1940 to 2,200 at present and is to reach 3,000 when the new St. Laurent plant reaches maximum production.

(3) 1941 production required 4,042,000 man hours of labor by wage-earning staff against 1,361,000 man hours in 1940 and 501,000 in 1939.

(4) New St. Laurent cartridge case plant equals in area and production capacity both existing plants combined.

(5) All Canadian-made tracks for the M-28 tanks made by the company.

Mr. Holland emphasized that the real story of the company's wartime work could not be told at this time. He pointed out that the new St. Laurent cartridge case plant was built on the company's own land at its own expense, but machinery and equipment is provided by the government and remains the property of the Crown.

Company Reports

Saguenay Power

Saguenay Power Co. operating revenue amounted to nearly $6 millions, an increase of over $700,000 compared with the preceding year. Other than the profit and loss statement and balance sheet, no operating details are given in the financial statement. Net profit was practically the same as in 1940 and amounted to $4.64 a share.

Financially the company's position improved last year, an excess of current liabilities over current assets totalling $19,651 being converted into a favorable balance of $203,449. A further substantial reduction was made in capital obligations during the year.

Cons. Income and Surplus Account Year Ended Dec. 31

	1941 $	1940 $
Oper. revenue	5,999,308	5,272,768
Less: Oper. expenses	986,190	710,768
Taxes	362,265	324,786
Add: Other income	70,479	76,772
Net revenue	4,721,332	4,313,986
Less: Bond interest	1,439,643	1,468,334
Other interest	222	424
Fin. expense	176,576	176,576
Exchange	30,230	54,854
Depreciation	736,451	718,329
Tax provision	1,195,752	850,925
Add: Tax adjustment	128,816	217,989
Net profit	1,271,274	1,262,533
Less: Pfd. dividends	275,007	275,007
Com. dividends	630,000	840,000
Surplus	336,267	147,526
Previous surplus	3,717,295	3,717,295
Less: Annuity plan	104,862	77,928
Surplus forward	3,978,700	3,717,295
Earned on common	$4.64	$4.70
Working Capital		
Current assets	2,607,003	2,101,741
Current liabilities	2,403,554	2,121,392
Working capital	203,449	*19,651

*Excess of current liabilities.

Balance Sheet Changes

	1941	1940
Plant	44,383,250	44,195,982
Accts. receivable	1,020,885	696,721
Cash	1,471,399	1,315,123
Notes	1,600,000	2,700,000
Bonded debt	29,597,000	30,000,000

Commerce Mutual

Net premium income of the Commerce Mutual Fire Insurance Co. in 1941 amounted to $670,999 an increase of $35,299 over the previous year. Total fire losses were $425,638 or $75,413 more than in the previous year. After deducting the recoveries by reinsurance the net amount of fire losses was $301,982.

Increases were shown in total assets and reserves. Holdings of bonds and debentures at $1.5 millions were about $53,000 higher than at the end of 1940. Cash at $175,001 was about $44,000 above the previous year.

Important items in the balance sheet follow.

	1941 $	1940 $
Total assets	2,655,836	2,501,197
Bonds & debs.	1,551,716	1,498,989
Stocks	239,841	239,841
Cash	175,001	130,816
Agents bal.	63,129	63,806
Mortgages	500,795	419,300
Res. unearned prems.	279,144	248,478
Surplus	1,864,303	1,856,629

George Weston Ltd.

Operations to date in 1942 have been satisfactory both from the standpoint of volume and profit and while the present year will undoubtedly bring many new operating problems, it is felt that with capable management the company can face the year with confidence, states J. A. Gairdner, chairman of the board, in the 1941 report of George Weston Ltd.

The company is putting forth every effort to conserve materials essential to the war effort. Deliveries have already been curtailed in order to conserve truck equipment.

Balance sheet as at Dec. 31, 1941, shows current assets up to $3.9 millions from $3 millions, due to an increase of $300,000 in receivables and $560,000 in inventories. Current liabilities are up to $2.3 millions from $1.7 million, attributable to a $600,000 increase in accounts payable.

Consol. Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Operating profit	1,549,127	1,372,251
Add: Other income	1,178	1,924
Net oper. profit	1,550,305	1,374,175
Less: Exec. sals., legal, dir. fees	132,973	146,656
Depreciation	304,076	276,266
Interest	71,171	72,895
Income taxes	426,075	298,903
Net profit	616,010	579,455
Less: Pref. divds.	87,500	87,500
Pref. divds. Paterson Ltd.	2,622	2,632
Com. divds	323,537	323,537
Surplus for year	202,351	165,786
Add: Prev. surplus	1,424,043	1,259,691
Life ins. adj.	152	1,434
Surplus forward	1,658,895	1,424,043
Earnings per Share:		
Preferred	$34.63	$32.96
Paid	5.00	5.00
Common	1.30	1.21
Paid	0.80	0.80
Working capital	1,536,801	1,317,755

Price Bros. & Co.

Price Brothers & Co. financial statement for 1941 shows total income at $5.8 millions, against $5.4 millions the year before.

Strengthening is shown in the financial position. At the end of 1941 net working capital $13.5 millions compared with $11.2 millions at the close of 1940. Funded debt was reduced by $500,000, while liquid position was improved through larger investments and increased cash.

Income and Surplus Account Years Ended Dec. 31

	1941 $	1940 $
Total income	5,781,810	5,438,916
Less: Bond interest	850,765	672,500
Debent. interest	156,898	157,472
Unad. accts.	60,000	191,614
Depreciation	1,325,000	1,509,392
Depletion	525,000	375,000
Tax provision	1,250,000	1,000,000
Net profit	1,784,147	1,532,938
Less: Pfd. dividends	345,636	345,636
Surplus	1,438,511	1,187,302
Add: Prev. surplus	1,719,192	*704,708
Less: Pfd. arrears	......	172,818
Surplus forward	3,157,703	1,719,192

*Adjusted.

Earned on Common	$2.62	$2.16

Working Capital

	1941 $	1940 $
Current assets	17,691,057	15,505,900
Current liabilities	4,165,324	4,275,570
Working capital	13,525,733	11,230,330

Balance Sheet Changes

	1941 $	1940 $
Cash	2,185,491	550,405
Securities held	3,577,840	3,079,288
Funded debt	17,436,800	17,936,800

Consumers' Gas Output Climbs

Gross output of Consumers' Gas Co. in March was over 11% greater than for March, 1941. For the six months ended March 31, first half of the company's fiscal year, output averaged 10¼% greater than the corresponding period a year ago. Every month so far in the current year has shown an increase over the corresponding month of the previous year.

There has been an increase of about 4,000 connected and active meters during the half-year while the average consumption per meter has also shown some gain.

Due to a number of uncertainties an accurate determination of the company's financial position for the half year is not possible. There is understood to still be a tendency for costs of operation to increase despite price and wage ceilings. This condition is particularly true in regard to coal costs, as this raw material must all be imported and it is too early as yet to determine what effect government policy on subsidies for essential imported commodities will have on the Consumer's Gas position.

McColl Sales Up to Date

Sales volume of all products by McColl-Frontenac Oil Co. in the first two months of this year were greater than during the corresponding period last year with earnings increased proportionately, J. M. Pritchard, president, told the recent annual meeting. He pointed to the existence of unusual factors in the present outlook, however, which makes it inadvisable to attempt any forecast for the balance of 1942.

About 38% of the total business of the company is now diverted to the war effort, either through direct sales to the Department of Munitions and Supply or through sales to industrial users engaged in the manufacture of war products.

One of the Norwegian tankers held under time charter by the company was sunk by the enemy at the beginning of this year, but another tanker has been obtained to replace it through the help of the Oil Controller.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 13	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.3
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
1942: Weekly Figures:												
Mar. 5	70.6	66.7	72.9	41.7	106.4	81.5	95.1	74.7	61.5	90.3	67.6	63.5
Mar. 12	69.6	66.0	71.9	40.9	104.2	76.4	91.2	73.8	61.8	89.4	67.1	61.7
Mar. 19	69.3	66.2	71.9	41.3	104.6	75.0	91.8	73.0	62.2	89.3	67.6	62.3
Mar. 26	69.0	66.4	68.7	41.0	103.0	73.4	92.7	73.4	63.0	89.3	68.1	61.8

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1936 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 31	81.58	66.59	63.31	16.31
Mar. 30	81.41	65.76	63.46	16.31
Mar. 28	81.35	66.28	63.36	16.34
Mar. 27	81.25	65.76	63.39	16.41
Mar. 26	81.20	63.71	62.97	16.35
Mar. 25	81.16	63.59	62.98	16.39
Month ago	84.81	73.43	65.79	17.59
Year ago	94.15	103.21	64.22	19.31
High 1942	93.50	83.71	71.01	18.86
Low 1942	80.94	63.23	62.84	16.31

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Mar. 31	41.5	56.2	51.3	65.30	40.68
Mar. 30	41.5	56.6	51.5	65.21	37.94
Mar. 28	41.5	56.9	51.7	65.21	38.01
Mar. 27	41.7	56.9	51.8	65.19	38.01
Mar. 26	41.6	56.9	51.8	65.08	38.40
Mar. 25	41.5	56.3	51.3	64.85	38.46
Month ago	41.3	57.5	52.2	66.54	44.76
Year ago	48.0	57.7	54.5	68.76	76.27
High 1942	43.6	60.5	54.7	77.18	54.82
Low 1942	40.3	58.0	51.1	64.37	37.94

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Deal Clears Tax Situation

Dominion-Ontario Arrangement Completed

Passing by the Ontario Legislature of a bill to complete the agreement between the Dominion and the province for the suspension of certain taxing powers of the province for the duration of the war relieves Ontario companies of several difficulties.

Companies, individuals and partnerships with fiscal years ended Dec. 31, 1941, or later will not be required to file income returns with the Province of Ontario.

Companies with fiscal years ended before Dec. 31, 1941, will be required to file income tax returns as usual with the province.

If the company's year ends Sept. 1 or earlier, it will be required to pay full capital taxes and place of business taxes as well as other taxes which are not based on income. If the year ends after Sept., they will not be required to pay these fixed taxes.

As regards taxes on income, companies will have to pay to the province that proportion of their normal 1941 taxes which the number of days in the company year included from 1940 bears to the total number of days in the year. As an example, a company whose year ends Sept. 1, 1941, would pay to the province 92/365 of its normal tax bill.

Once these returns specified here are made, the company will not be required to make any further tax returns to the province.

When the agreement terminates, companies with years ended Sept. 2 and later in the year of termination will be required to pay full capital and place of business taxes. Those with years on or before Sept. 1 will not have to pay these taxes.

For income taxes in the year on which the agreement terminates, a company will have to pay to the province taxes on that proportion of its income which the number of days in the year of termination bears to the total number of days in the year. This would mean that the company whose year ended Sept. 1, as already mentioned, would that year pay 273/365 of its normal tax.

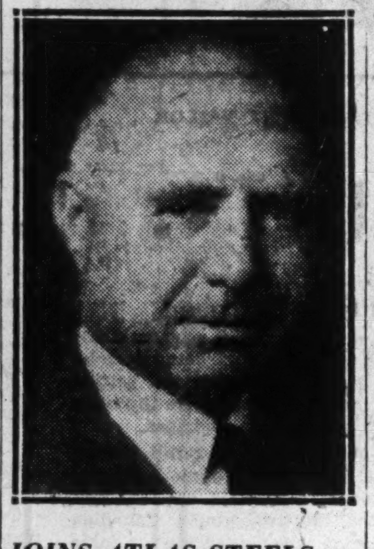
Provincial license fees, registration fees, fees charged for the incorporation of a company, or a license fee or tax for specific rights or franchises granted by a municipality are not included in the new agreement.

The province is to refund to the taxpayer any corporation taxes paid, the collection of which is prohibited under the agreement.

The Dominion is to pay to the province each year under the agreement the sum of $28,964,040, subject to certain specified adjustments. This is to be paid in installments of 50% on June 30, 30% on Sept. 30, 10% on Dec. 31, and 10% on March 31.

The agreement is to terminate on the last day of the fiscal year of the province (March 31) ending nearest to Dec. 31 of the first calendar year which begins after the cessation of hostilities between Canada, and Germany, Italy and Japan, unless terminated sooner under the provisions included. The province can terminate the agreement on March 31 of any year if notice of intention to do so is given in writing 30 days before that date.

The agreement provides in addition to the corporation tax sections, that the province will be protected against any loss of gasoline tax revenues, less refunds, below the net amount of $26.6 millions collected in the year ended March 31, 1941.



JOINS ATLAS STEELS

W. H. (Bill) White, until recently with Allegheny-Ludlum Steel Corp. at Cleveland, has been appointed director of sales, Atlas Steels Ltd., Welland, Canada. Mr. White, born in Canada, has an excellent background in the distribution of special fine steels.

Soo Line Plan Slashes Capital

From Our Own Correspondent

MONTREAL.—The reorganization plan for Minneapolis, St. Paul and Sault Ste. Marie, controlled by Canadian Pacific Railway, calls for sharply reduced capitalization and fixed interest charges.

Under the plan, issued by the Interstate Commerce Commission, capitalization will be cut to $95 millions compared with $169.2 millions, with fixed interest charges reduced from $6.6 millions to $53,451. The latter represents interest on equipment obligations to be assumed undisturbed by the reorganized company.

As practically all the common and a large share of the preferred stock are held by the Canadian Pacific Railway, this means its investment is wiped out.

All of the new common stock issued will be placed in the voting trust, two of the trustees to be designated by bondholders other than the Canadian Pacific, and three by the C. P. R.

The plan provides the following treatment for present bondholders:

First consolidated mortgage bonds which mature July 1, 1938, that bear interest guaranteed by C.P.R., will receive payment in cash by the C. P. R. of unpaid interest which accrued Jan. 1 and July 1, 1938.

Holders of all first consolidated bonds will receive in cash about 3.3% of their total claims, including accrued and unpaid interest to Jan. 1. 1941, not paid by the C. P. R. under its guarantee, about 10% of new first mortgage Series A 4½% income bonds, about 25% new general mortgage, 4% series A income bonds, and about 0.727 shares of common stock for each $100 of their claim.

Alberta Bond Interest Endangered by Statute

Statute of Limitations May Bar Collection of Interest More Than Six Years in Arrears; Committee Recommends Cashing

Interest coupons on Province of Alberta bonds, direct and guaranteed, may be outlawed under the Alberta Statute of Limitations unless they are cashed prior to the expiration of six years after their respective due dates. This danger is outlined in a letter from the Alberta Bondholders' Committee, which is now informing bondholders that "it can no longer continue its recommendation that they should refrain from cashing coupons from time to time at the reduced rate where such coupons are near to six years in arrears."

Alberta bondholders are currently finding themselves in something of a unique legal position. The province has now been in default on its bonds since June, 1936, and the question has arisen as to whether or not the statute of limitations applies to obligations of the province.

Might Use Statute

Generally speaking, the statute provides that actions for the recovery of money must be brought within six years after the cause of action arises, or if the debtor promises to pay the debt, or gives a written acknowledgment of the debt, or makes a part payment on account of the debt, within six years from the date of such promise, acknowledgment or part payment.

It is not yet evident whether the province could or would be likely to take advantage of the statute to bar recovery by bondholders of interest arrears. However, the committee reports that its legal advisers think, although the matter is not free from doubt, there is a possibility that the province might be able to take advantage of the statute both as to principal and interest.

Some Cashing Coupons

The committee has been informed that certain holders of large amounts of Alberta securities who have hitherto refrained from cashing their coupons propose as a matter of prudence to cash their coupons before the expiration of six years after their respective due dates. From a practical point of view the committee considers this a wise course, and is informing bondholders to that effect.

The committee is not withdrawing its recommendation against the cashing of coupons completely. As far as coupons not near to six years in arrears are concerned, the recommendation against cashing stands.

Need Fiat to Sue

Bondholders now find themselves confronted with a situation where action of the Alberta Government in arbitrarily reducing interest on its bonds has been declared illegal by the courts, including the Privy Council. However, there is no way that bondholders can recover by action against the province the principal or the whole amount of their interest in arrears unless the Alberta Attorney-General issues a fiat for that purpose.

The committee's letter, signed by J. M. Macdonnell, chairman, also traces the progress of its negotiations with the Aberhart government since the Alberta debt default in 1936. Most recent activity looking toward solution of the province's debt problems took place in Sept., 1941, when a lengthy preliminary discussion was held between representatives of the committee and province.

That meeting adjourned with the understanding that it would shortly meet again at the call of the chairman, Hon. Solon E. Low, provincial treasurer. Before a further meeting was called, however, a caucus of Social Credit members passed a resolution opposing any upward adjustment of interest rates in any refunding plan.

Since that time there appears to have been a change in the Social Credit position for Mr. Low has announced that a caucus on March 20 authorized him to negotiate the best possible deal for refunding Alberta's public debt. The government's refunding committee is now said to have a free hand to carry on and negotiate with bondholders to secure as equitable a refunding as possible before the next session of the Legislature.

Mr. Low has been quoted as saying that he will call a meeting of the Alberta refunding committee, of which he is chairman, as soon as possible. The Bondholders' Committee letter states that it is willing to continue its conversations with the Alberta government if requested to do so at any mutually convenient time.

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Mont. Cottons Shifts Output

From Our Own Correspondent

MONTREAL.—Drastic curtailment of yarns and cloth production for civilian uses in order to supply demands of the armed forces, was discussed by W. G. E. Aird, managing director, at the annual meeting of Montreal Cottons Ltd.

Production figures for 1941 with comparative returns for 1940 follow:

	1941 $	1940 $
Cotton	31,600,806	31,766,497
Cotton and rayon	1,077,498	1,169,535
Rayon	3,829,335	3,768,118
Tapestry	1,776,374	1,360,552
Cut staple	4,951,923	4,340,841
Total yds. cloth	43,235,936	42,405,543
Total lbs. cloth	12,791,834	11,385,046
Lbs. sale yarn	1,944,484	3,255,642

Switch of production from civilian to military use was reflected in the sale yarn business which had to be cut down from 3½ million lb. in 1940 to less than 2 million lb. in 1941.

Since the war began, according to Mr. Aird, the company has made approximately 18 million yards of cloth for the Department of Munitions and Supply. This represents in weight over 7 million lb. of cloth or almost 8½ million lb. of raw cotton.

Loom hours run in 1941 were 80% ahead of the figures for 1938, added Mr. Aird, and represented a 45% increase over those in 1939 and 9% over those of last year.

New Books

The Woman in the Lifeboat

ATLANTIC ORDEAL. By Elspeth Huxley. Published by Macmillan Company of Canada, Toronto. Price, $1.25.

Mary Cornish was one of ten escorts who sailed to Canada from Britain with 90 evacuee children. Four days out, on September 13, 1940, their ship, the City of Benares, was torpedoed. Miss Cornish was one of the few who were saved. This little story written by Mrs. Huxley records the tragedy and courage of eight days spent in a life-boat by Miss Cornish with seven sailors, 32 Lascars and six boys.

Mrs. Huxley tells the facts without adornment. It is one of the most moving stories of the war, a remarkable piece of simple reporting, wherein the very facts are charged with the highest emotional power.

A Novelist Sees Russia

ALL-OUT ON THE ROAD TO SMOLENSK. By Erskine Caldwell. Published by Collins, Toronto. Price $3.

With his wife, Margaret Bourke-White, who is an ace photographer, Mr. Caldwell set out for Russia last spring. He knew, he says, that war between Germany and Russia was coming. He and his wife flew the Pacific and pursued an uncertain aerial course across the China, Mongolia and Siberia to Moscow, arriving just before the storm broke. They were witnesses to the hurried, all-out mobilization of the Russian people; they experienced the air-raids in Moscow; and were eventually permitted to go into the front lines. In Moscow, Mr. Caldwell wrote for Life and PM, and broadcast twice a day to CBS.

Mr. Caldwell is a distinguished novelist of the earthy school. Here he shows himself a skilled reporter, free of prejudices and brilliant in portraying people and events. "All-Out on the Road to Smolensk" is the best book yet to come out of the Russian war, a readable close-up story that is free of the emotional propaganda touch that spoils most Russian books. His adventure with Russian military censorship and other officialdom are most amusing; his descriptions of the blitz on Moscow are dramatic; his experiences at the front intensely exciting.

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Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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DIESEL POWER PLANTS—New, reconditioned, used or "now-in-use" Diesel-electric power plants. Must be available in Canada. Any size or capacity. Owners, agents or others having such plants available (or likely to become available) are requested to WIRE IMMEDIATELY for tender form to Department of Munitions and Supply, Attention: L. L. Price, Director, General Purchasing Branch, Division "F", Ottawa, Ontario.

EXPERIENCED TRAVELLERS CARRY MONEY SAFELY

Canadian Pacific Express TRAVELLERS CHEQUES

THE ONTARIO MUNICIPAL BOARD

IN THE MATTER of a plan for funding and refunding the debts of the City of Windsor (Municipalities of East Windsor, Walkerville, Windsor and Sandwich) and

IN THE MATTER of an application of A. McPherson, one of the Trustees appointed pursuant to Article VIII of the said plan for interpretation and operation of Article IV of the said plan.

APPOINTMENT FOR HEARING

THE ONTARIO MUNICIPAL BOARD hereby appoints Wednesday, the Eighth Day of April, A.D. 1942, at 9:30 o'clock in the Forenoon, at the Board's Chambers in the Parliament Buildings, in the City of Toronto, for the hearing of all parties interested.

DATED at Toronto, this 24th Day of March, A.D. 1942.

"M. B. SANDERSON,"
Acting Secretary.

(Seal of Ontario Municipal Board)

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In Saskatchewan City, Welding and Spring Manufacturing Business, including building of tile and brick, modern power equipment, etc. Turnover $10,000.00. Excellent profits. Price $10,000.00. Cash only. Owner wishes to retire. Box No. 270, The Financial Post, Toronto, Ont.

TOWNSHIP OF SCARBOROUGH

Notice of Intention to Redeem Certain Debentures

To the Holders of Debentures of the Township of Scarborough, dated the 1st day of January 1940, and maturing in the years 1951 and 1952, both inclusive.

The Corporation of the Township of Scarborough. To the Holders of Debentures numbered:

805-28	1070-18G	1655-77	1732-8
842-25	1070-18H	1655-78	1733-12
846-25	1070-18I	1655-79	1733-13
847-25	1070-18J	1655-80	1735-66
891-23	1070-18K	1655-81	1735-67
900-23	1070-18L	1656-9	1735-68
961-21	1070-18M	1674-8	1735-69
986-35	1070-18N	1694-9	1735-70
986-36	1070-18O	1694-10	1735-71
986-37	1070-18P	1695-9	1735-72
990-20	1071-18	1707-8	1735-73
1003-19	1091-17	1724-8	1735-74
1007-19	1094-17A	1725-37	1735-75
1025-19	1094-17B	1725-38	1735-76
1045-18	1094-17C	1725-39	1765-11
1049-18A	1094-17D	1725-40	1765-12
1049-18B	1094-17E	1725-41	1766-13
1049-18C	1094-17F	1725-42	1766-14
1049-18D	1109-17	1727-23	1776-7
1067-18	1109-17A	1727-24	1777-24
1068-18	1161-17	1727-25	1777-25
1070-18A	1655-71	1727-26	1777-26
1070-18B	1655-72	1731-28	1777-27
1070-18C	1655-73	1731-29	1782-29
1070-18D	1655-74	1731-30	1782-30
1070-18E	1655-75	1731-31	1782-31
1070-18F	1655-76	1731-32	1782-32
			1782-33

Issued under Plan for the readjustment and reorganization of certain debenture indebtedness of the Corporation of the Township of Scarborough.

TAKE NOTICE that By-law No. 3108 passed on the 23rd day of March, 1942, pursuant to said Plan, the Council of the said Corporation has authorized and directed the redemption of the above numbered debentures on the 15th day of June, 1942. Upon presentation and surrender of each such debenture at the principal office of the Canadian Bank of Commerce, in the City of Toronto, on the 15th day of June, 1942, the person entitled thereto will receive payment of the principal amount thereof together with accrued interest to that day.

FROM and after the 15th day of June 1942, interest on the principal of the debentures so to be redeemed shall cease to accrue.

Dated at Toronto, Ontario, this 23rd day of March, 1942.

JAMES O. KESSACK,
Treasurer of the Corporation of the Township of Scarborough.

LOGISTICS

Strategy is the planning of warfare.

Tactics is the execution of those plans.

Logistics, the third branch of military science, is the supplying of everything necessary to strategy and tactics—in the right amount, at the right place, at the right time.

Now, in *total* war, we must apply the science of Logistics to all of our activities as a nation—civilian as well as military. WE ALL are part of the Victory Program.

Our supply lines are literally life lines of the United Nations. Man-power *and* munition-power are the controlling factors.

Today, Logistics dictates strategy—determines tactics.

The governments of the United Nations have appropriated billions of dollars *but they cannot appropriate one single second of time.*

Time favors those who appreciate it as the priceless commodity it now is.

In war, when we save time we save lives—and we make our individual contribution to Victory.

DEPARTMENT OF LOGISTICS
INTERNATIONAL BUSINESS MACHINES COMPANY LIMITED

The Editorial Page . .

Expert Coverage of the News

Angus McInnis, M.P. for Vancouver East, protested in the House of Commons last week that it was becoming more and more difficult to get any reliable information from the government. He added:

"If we want to know what the government is doing, we have to go either to the press room or to The Financial Post."

Mr. McInnis went on to cite an example. He said that he had asked the government for information on corvettes ordered by the government, the number launched and the number delivered. He was told that "it is not in the public interest to give the information."

But, said Mr. McInnis, in The Financial Post of December 6, 1941, there appeared an article giving all the information he asked for "and more." Mr. McInnis then put on the record the facts on Canada's ship-building programme that appeared in The Financial Post article, which was written by Allan C. MacNeish, editor of Canadian Shipping and Marine Engineering News. He said, "This is a responsible paper and the author of the article is a responsible individual."

Mr. McInnis's point was that either the government should answer his questions or prosecute The Financial Post for publishing information which it was "not in the public interest" to disclose.

The Financial Post would not dispute anyone's contention that a member of Parliament is entitled to any information which is disclosed to The Financial Post for publication. But the truth is that no information was, in this case, disclosed exclusively to The Post by the Department of Munitions and Supply. Mr. MacNeish, who is an authority on the subject of shipbuilding, made a survey for The Post. His survey was based upon official releases of information by the government's own publicity men and upon other such information already available to the public through proper channels.

What was exclusive in The Post article was the intelligent summary and analysis of the information by a trained and technically expert writer. It was at all times open to any member of Parliament to have made a similar survey for himself. The facts were already public.

Why the government did not answer Mr. McInnis's questions seems clear. The Post's article was published on December 6 last and Mr. McInnis's question was asked on March 12. In many cases the government has been willing to publicize information up to a certain date and refrained from giving out more up-to-date information at a later date. Between December 6 and March 12 the government's policy on publishing certain types of shipbuilding information changed.

The Financial Post is part of an organization of business publications, edited by men who are authorities in their respective fields. In its articles The Post draws upon their experience, information and advice. It publishes many articles that they write. This frequently gives articles in The Post a thoroughness and a comprehension that can result only from expert study of the facts. This is the way The Post has always been edited; not merely to give the facts but to bring them into focus and interpret them. "Scoops" in The Post are usually not so much scoops in information and news, as in the intelligent summary of the facts.

The Post would not think of publishing information that the government feels it is undesirable to disclose to the enemy. We did not do so in this case and we would not do so at any time. But we shall continue to assemble and interpret those facts on war production which the government feels the public is entitled to have. This is war service of the highest importance.

Let Us Pull Together

Bickering amongst themselves is certainly one luxury the United Nations cannot afford just now. Yet there has been plenty of this sort of thing ever since Pearl Harbor and Singapore.

The former isolationist press of the United States has broken out again with a thinly veiled tirade against Britain; has been urging American strategists to forget Europe and concentrate forces and materials in the Southern Pacific. If this campaign has not been actually started by enemy agents, it has certainly been fanned by them.

The sooner we forget these personal likes and dislikes and realize that until the war is won we are all in this fight together, the sooner we will start to win. After all the record of none of the United Nations has been so perfect that any member can afford to criticize the other.

The U. S. magazine, Colliers, hit the nail squarely on the head last week when in its leading editorial it stated:

"Making allowance for the different lengths of time the two nations have been in the war, you can match boner for boner between the United States and Great Britain."

"Our two countries are in this war together, for better or for worse, and up to the neck. The more energy we refuse to waste in mutual recriminations, the more we'll save to spend on the Axis.

"Up to now, the Axis has shown itself capable of absorbing all the energy we've been able to send against it. It has also shown itself to be adept at making military capital out of every suspicion of inter-Allied friction."

That is the point we must remember whether we live in Canada, Australia, the United States or Great Britain. Decidedly this is not the time for bickering but for a united effort. For the duration of the war, each nation would be well advised to keep its criticisms confined to its own efforts. There it has plenty of scope and it can do much good and no harm.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

To Revise Eating Habits

Before this war is very much older, many Canadians are going to have to revise their eating habits. There will have to be less lavish use of meats and fats, and a greater reliance on bread. Provided the authorities take the public and food producers into their confidence and make a full explanation of the changes necessary, there should be neither criticism nor hardship.

Our standard of living, probably the highest in the world so far as food is concerned, is easily able to stand revision without any real sacrifice. It has been said, and with reason, that many a European would live comfortably on the food the average Canadian wastes or throws away. We are among the world's largest per capita consumer of eggs, butter, fruits, milk and meat.

Now we are going to be asked to make some further cuts in our consumption of eggs, meats, and certain dairy products in order that the British people may continue to get enough to eat. We will do this and we should do it thankfully, remembering that had we been living on the other side of the Atlantic it would be a case of eating less, whereas on this continent we simply switch to something more plentiful. That something, in most cases, will be bread for which we have a superabundance of raw material.

Dietitians For the Air Force

In air battles, a fiftieth of a second is likely to mean the difference between life and death. And science has abundantly proved that correct food has a very great deal to do with the speed of a man's reactions; with how long he can keep on reacting fast.

The announcement of the Royal Canadian Air Force that its men and officers are to be fed by highly trained dietitians will win the unqualified acclaim of every Canadian concerned with winning the war.

For their logic in taking the sensible course; for their devotion to the welfare of their men and to Canada, highest commendation is due those air force officials responsible. The "damn-the-experts" school which thinks a plumber is equally good for piano tuning has been losing many battles.

Never before in the history of any modern armed service have women food experts managed messing. That persons of long training in food chemistry, of long experience in feeding large masses of people, should do this job seems too logical to call for comment—except for the fact that it hasn't been done until now.

The professional restaurateur knows food values as no air force cook, ex-barber, ever will. The professional has to know cooking methods that don't boil and steam and fry away all the essential food qualities; has to know economies.

First professional feeder to be appointed by the R. C. A. F. is Miss Kathleen C. Jeffs, loaned for the war's duration by The T. Eaton Co., Montreal, where she has been head dietitian. Other highly trained women restaurant executives will be named Messing Officers at the various command headquarters and larger units.

Congratulations R. C. A. F. Thinking, Army?

Chicago Tribune Tips Off Tokio

Whose propaganda is being supplied by whom is a question that might well arise from some of the latest effusions of the Chicago Tribune. On March 16 Col. R. R. McCormick's organ played this tune:

". . . If we succeed in protecting Australia, a change in Australia's international position is to be expected. The military fact must receive its recognition in a political rearrangement. If, as Mr. Curtin says, England cannot guard Australia and Australia now looks to this country for leadership, we may assume that this relationship is destined to become a permanent one and that somehow or other Australia is to be included and represented in our federal system."

It may have been a remarkable coincidence or it may be that the Axis is now looking to Col. McCormick for some propaganda tips but three days after that Tribune editorial the British United Press reported the following, date-lined Tokyo, March 19:

"Dispatches reported today that all evening newspapers in Berlin said the sending of Gen. Douglas MacArthur to Australia is the first step toward annexation of Australia and New Zealand to the American 'Empire' by 'Emperor' Roosevelt."

Japs Warned Us

Five years ago this spring some members of the Japanese royal family visited British Columbia and as a gesture of courtesy to these guests from a country with which we were then at peace, the Vancouver Sun published an innocent cartoon of welcome. There followed an impudent and arrogant letter from a group of local Japs which the Sun reprinted last week. In the light of recent developments the following excerpts from that letter are highly significant:

"The undersigned **Canadian-born Japanese** hereby register our strong protest against the publication of a cheap and disgusting cartoon designed to bring contempt and ridicule upon their Imperial Highnesses. . . . . . As loyal and patriotic Japanese it is our duty to remind the Vancouver Sun that **we Japanese people regard our Imperial family** as divine. . . . . . We Japanese are a proud and sensitive people and the **Imperial Japanese Empire has a way of dealing with these people and nations** who show their insincerity by disregarding and flouting our most sacred sentiments and feelings."

Uprooting the Japanese colony of British Columbia and moving it to some safe place in the interior where it will be under the strict supervision of the Canadian police is an unpleasant business for both the Japs and ourselves. But the responsibility for this mass importation of self-confessed and boasting fifth columnists rests squarely on the shoulders of the victims.

Editorials in Brief

Guelph is one Ontario municipality that is doing big things for the well-known harried taxpayer. In three years it has cut its tax rate by 14 mills to the lowest rate in 20 years. Gross debenture debt has dropped from $3.4 millions in 1937 to $2.3 millions in 1941, with a sinking fund of $1.5 millions. By 1945 gross debt will be $1.1 million. Tax collections in 1941 were 114% of the current levy, highest in the city's history. In addition to these remarkable achievements the city fathers claim that the per capita assessment of $616 is the lowest of any Ontario city and the per capita tax levy was the second lowest of cities in southern Ontario for 1939.

* * *

A busy manufacturer who had put his plant at the disposal of the government for any sort of war work under the "bits and pieces" plan, received this request the other day from the local representative of the Department of Munitions and Supply:

"Although there is on file at Ottawa a survey of your manufacturing facilities, we find no information as to your plant and machinery is recorded at this district office. Will you therefore please complete in every detail the enclosed survey, etc."

What was asked for was the filling in of a complicated six-page questionnaire and which, only a few weeks previously had already been completed at considerable expense and effort and forwarded to Ottawa. This sort of duplication makes business men wonder whether all of the recent huge expansions in civil service payrolls has been necessary.

ANOTHER BUSY TAILOR

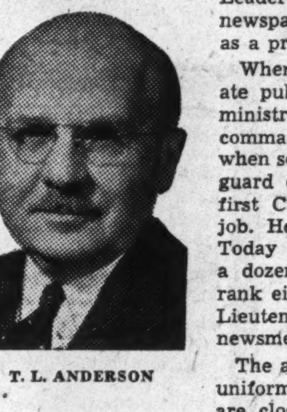
—Cartoon by Grassick

Post-Scripts . . . .

No Longer Green

After a vehement argument, the newspaper accepted his advertisement. It was a new idea; that's why the argument.

The ad wasn't a 90-center on the back pages among the classified. It was a sizeable three-dollar display ad on the good news pages. In big type the heading was, "Green Advertising Cub Wants Job."



T. L. ANDERSON

The green cub was T. L. "Andy" Anderson. Last week he became managing director of Cockfield, Brown & Co. Ltd., big Canadian advertising house.

"Andy" was green enough. When most kids are worrying about school examinations and too little pocket money, he had got himself into partnership in a jewellery store.

Ever since he got his long-wanted job in advertising, Anderson has been demonstrating that he had ideas to bring with him.

He has never been just a "commission catcher." He figured his job was that of sales counsellor and assistant. The idea is widespread among ad men now; it wasn't in 1921. But throughout his business career "Andy" has started his advertising job back in the client's shop or factory, puttering with packages, studying trends, getting research done. He and his firm have thus grown up with their clients. It's one reason he has a big reputation for keeping accounts a long time.

The Anderson advertising career has always been with the same firm. The late Harry Cockfield was vice-president of Advertising Service Co. Ltd., which hired the ambitious young jeweller. The late C. T. Solomon was president. On his death the company of the present name was formed.

Also newsworthy, especially among ad men, is that Mr. Anderson is not a golfer. Fishing, family and friends take his spare energy. He has a daughter now attending Queen's University, a son at University of Toronto Schools who is reputed to be something extra super special in acquiring scholarships and passing examinations a long way ahead of his age group.

One group of Canadians who think a lot of Mr. Anderson are commercial artists. Clients and associates think he's a crank about art work. He is. He wants it really good. He wants lots of it. And he doesn't say "Bring me a masterpiece for $25."

He gets masterpieces, then upsets colleagues by the big figures he puts on cheques. Canadian artists hadn't always been used to that.

Flying Newsmen

A week or two ago, this page paid tribute to the excellent work being done by R.C.A.F. publicity officials in getting promptly into Canadian papers the news of exploits of our men overseas.

Major share of credit for this branch of the R.C.A.F. public relations "directorate," goes, we are told, to Squadron Leader Rod McInnis, young Canadian newspaperman who joined the air force as a procurement officer in Jan., 1940.

When J. W. G. Clark set up a separate public relations division in the air ministry in June of the same year he commandeered Rod as an assistant. Later when someone was needed to do advance guard duty prior to the arrival of the first Canadian squadron. Rod got the job. He has been over there ever since. Today he has with him a staff of half a dozen first-class newspapermen who rank either as Flying Officers or Flight Lieutenants, as well as several camera newsmen.

The advantage of having these men in uniform is that they can go places which are closed to ordinary newspaper correspondents. They are "on assignment" continually moving with Canadan flyers wherever they may be. Their job is to feed regular news services, Canadian Press, and British United Press, and special correspondents with news stories of Canadian air crews. They specialize in "personalities" as often as possible for "local" consumption. They think in terms of the "home town" boy and try to get names and faces into the local papers wherever possible. All in all they have done a fine job in breaking down traditional R.A.F. reserve, getting the men to "open up" and talk freely.

Rod McInnis came to the air forces from a B.U.P. assignment in the press gallery at Ottawa. Prior to that he had straddled Canada at Toronto, Vancouver and Winnipeg.

* * *

The Brothers Woodward

Although P. A. "Puggy" Woodward, recently elected a director of B. C. Telephone Company, has obligingly basked in the reflected glory of other members of his family during the past few decades in Vancouver, to his intimates he is known as a decisive man of action in his own right, an able organizer and top-rank executive largely responsible for the steady and at times rather spectacular growth of his department store organization.

Woodward Stores, Ltd., as the Vancouver company is known, and C. Woodward, Ltd., at Edmonton, were founded by the colorful mercantile pioneer, the late C. A. Woodward, but the Woodward tradition of adroit salesmanship and merchandising has been carried on effectively by his two sons, William C. and P. A.

Of the two brothers W. C. "Billy" Woodward has consistently been in the spotlight of public service since the death of the father several years ago. He was the member of the family chosen for the board of the Royal Bank of Canada—an institution which incidentally he joined as a junior clerk many years ago; he was the choice of the Vancouver Board of Trade as its president; he was the member of the family who last year was made first citizen of the province as Lieutenant-Governor of British Columbia.

During all that time P. A. was on the job in Woodward's department store. "I've got plenty to keep me busy right here," he remarked not long ago, and those who have watched the expansion of the Woodward enterprise will realize the truth of that understatement. Apart from his activity in the retail merchants' bureau of the Board of Trade, P. A. has confined his working hours to the place where his heart and his interest lie—the store, a notable institution in many respects with one of the largest turnovers of its category in Canada and one of the biggest grocery departments on the continent.

Of Scottish, Welsh and English stock, the Woodward brothers were born on Manitoulin Island in Georgian Bay at the top end of Lake Huron. They went west early in life and received most of their schooling in Vancouver. When they reached the age to go to work, the elder Woodward, a shrewd businessman who owned much of his success to his ability to look a long way ahead and plan accordingly, decided that Billy should be the financial expert of the firm, while P. A. mastered the merchantile end. That was the reason that Billy went to work for the bank, while P. A. stayed in the store, and his friends agree that P. A. has learned about all there is to know about running a department store.

True to his nickname, "Puggy" Woodward is a pugnacious, aggressive type even though he prefers the background for his operations. Like his father, he keeps closely in touch with all departments of the business, knows all his hundreds of employees by name and tries—usually pretty successfully — to think a little faster than his competitors.

* * *

Real Winnipegger

Conrad S. Riley, new president and managing director of the Canadian Fire Insurance Company and the Canadian Indemnity Insurance Company assumes the title held by his father, R. T. Riley, but who in actual fact has not been prominent in the management of these companies for some considerable time.

C. S. Riley is very truly a Winnipegger. He has been prominent in Winnipeg's business life for the greater part of Winnipeg's business existence. Actually he was born in Hamilton, Ont., but came west in 1884 and is a product of Winnipeg public schools In the sport world, Mr. Riley was equally well known. Rowing was his big game, his hobby and almost his life. For several years he stroked the Winnipeg senior four which carried everything before them. In 1910 the crew travelled to England and won the greatest rowing honors in the world by annexing the Steward's cup at Henley regatta.

When war came in 1914 Mr. Riley organized, recruited and took overseas the 59th battery. In France he transferred to the 53rd battery of the fifth brigade which he commanded and led into France.

In 1928 Mr. Riley was appointed a member of the Canadian committee of the Hudson's Bay Company of which George W. Allen was at that time chairman. In December, 1940, Mr. Riley was named successor to George Allen (deceased) as chairman of the Canadian committee and was also made a member of the London committee. Other business affiliations include the vice-presidency of the Winnipeg Electric Company and presidency of the Northern Trusts Company.

* * *

Sayings of the Week

"We and our Allies cannot lose this war, except through our own fault, our own failure to use our combined overwhelming strength when fully mobilized." — *Prime Minister Churchill.*

* * *

"There is a danger in setting all our faith in great quantities of equipment. Unbreakable morale is the first necessity. It is the absolute condition of triumph in war. It is the fixed star of victory."—*Lord Beaverbrook.*

* * *

"Anybody who buys more than current needs is definitely undermining the war effort and playing directly into the hands of the enemy."—*Donald Gordon, speaking before the Canadian Club in Toronto this week.*

* * *

"It is not the people who are complacent but the majority of those who speak for them. The people who talk to us and should be giving us leadership should wake up. Tell us what we should do and we will do it."—*W. C. Woodward, Lieut.-Governor of British Columbia.*

* * *

"A really sound economist, advising the government at the beginning of the war, would have pointed out that all the effort which we are going to devote to the war would produce no wealth—however vitally needed it might be to produce safety—and have argued therefore that in place of actually paying higher wages than were prevailing for the increased volume of employment, we should have reduced wages." — *P. C. Armstrong of the Canadian Pacific Railway before the Canadian Railways Club.*

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2.

JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
Ottawa: 260 Irving Ave. (Tel. 8-0847); Kenneth R. Wilson, Resident Correspondent.
New York: 522 Fifth Ave.
Chicago: 309 West Jackson Blvd.
London, England: Quadrant House, 55 Pall Mall, S.W.1.

Other People's Views . . . .

The Canadian Editorial of the Week

Mental Cocktails

Vancouver Province

The Canadian public knows all about the dangers confronting this country and all its Allies. It is hungry for war leadership, for sacrifice to any necessary extent, for action. The complacency is at Ottawa, where mental cocktails are put out to elate the people and give them the mental equivalent of rose-colored glasses.

Tell the people of Canada the hard truth about our present ability to wage war, and they will respond. If we were organized on the British scale we would have at least 20 divisions under arms and in training now, and we would be greatly exceeding our present production of ships, guns, munitions, tanks and planes. The civilian population would be making real sacrifices, not just suffering minor inconveniences.

But ministers and officials and a squad of several hundred publicity agents at Ottawa keep mixing their pleasurable concoctions, and the result is the people have a wholly false impression of what Canada is accomplishing.

It isn't that we have done nothing. Of course we have. But we are a long way from organization for total war. Fewer mental cocktails, and much more direct action—these are the things the country needs from Ottawa.

As Others See Us

To Save Paper

Elmira (Ont.) Signet

The Bureau of Information of the Dominion Government is rapped on the knuckles by the Financial Post according to the Printed Word, for sending press releases to United States newspapers, mimeographed on both sides of the paper. That copy be written on one side only is probably the oldest of journalistic rules.

Hundreds of editors would improve both the rebuke and the press releases by making it a rule that no article be longer than would fill one side of a single sheet of foolscap. That would save much paper and get more copy into print.

It was just last week the Signet got an overdose of publicity, so much so that the mimeographed standard sized sheets stood an inch high when piled up and flattened down tight. Multiply that by the weekly newspapers across Canada and you have something that goes on for fifty-two weeks in a year.

* * *

Higher Income Taxes

Victoria Colonist

Reports are emanating from Ottawa that suggest there will be additions to income tax in the forthcoming Federal budget. What the government will have to consider is the effect any further increase would have on investment in its Victory Bonds and War Savings Certificates. On this aspect The Financial Post of Toronto says:

"When our war finance policy was being evolved Canadians were told that taxation had two functions to perform, first, to raise revenue and, secondly, as a weapon to fight inflation. Both were of equal importance. If that policy was sound when first announced then it should still be sound today; but a general raise in the income tax seems to have little to do with it. There is no threat of inflation today from the salaried class. As a rule they are carrying on at the same income as they received before the war but are now paying several times the taxes, and, in addition, are putting every penny they possibly can into Victory Loans and War Savings Certificates."

It will be the part of wisdom to consider other avenues of taxation before there is any further increase in the income tax, the incidence of which is now bearing heavily on the domestic lives of so many. It is axiomatic that if income tax is again raised people will have to pay it out of their own savings, as indeed numbers are doing now, and that means there will be so much the less money available for investment in Government bonds and certificates.

* * *

Better Weapons

St. Catharines Standard

Instilling the offensive idea on the industrial front, applying new techniques for weapon design, as General McNaughton wants is discussed on the front page of The Financial Post this week, in an article which states that the war will never be won with weapons just as good as those of Germany and that on many fronts, our guns, tanks and ammunition have been outfought.

The task is up to the industrialist-engineers to create the designs, and is a challenge to the technical genius which abounds on this continent. The "dynamic offensive," as urged by General McNaughton, embraces new weapon designs, and faster production techniques. In other words, it goes right into the research and draughting rooms, then to the factory, then to the ship and then to the fighting forces.

The Financial Post urges Canada and the United States to take the lead in weapons. The conversion of the motor industry in the U. S. and in Canada to War production, the actual conscription of the highly skilled engineering forces of the industry and its organizing ability will be a great factor in eventually overcoming the enemy.

* * *

Ottawa is "Cold"

New Glasgow (N.S.) News

Ottawa, The Financial Post reports, is "fed up" with A.R.P. demands.

"Ottawa cold to some requests for funds."

Ottawa, it can be truthfully said, has been "cold" on many aspects of the war. Far too "cold" to suit the wishes of the east and west coasts of Canada.

Ottawa is many miles from the sea; safe, as it used to be said, of a church before the Nazis and Japs began to rain bombs and shells indiscriminately on unguarded towns and cities; Ottawa is more than a thousand miles inland.

Surely this Financial Post story will set some of our silent Maritime members of Parliament protesting verbally in the House. The defense of Canada is not a job for the coastal regions—it is an all-Canada proposition.

* * *

Thank You

Wolfville Acadian

The other day we listened to a radio feature titled "Editorially Speaking" and announced as a review of the writings of the editors of newspapers of the Maritime Provinces. However, special stress was placed on editorials chosen from The Financial Post, of Toronto, and the Christian Science Monitor, of Boston, two of the ablest publications on this continent whose views are always most deserving of thoughtful attention and consideration.

* * *

Stop Me If . . .

The skipper of a tramp steamer, in writing up the log recording an eventful day, rounded off his task with the entry: "Mate drunk."

To the mate, who indignantly protested on reading it, the skipper retorted: "Well, it's true, ain't it?"

On the following day it was the mate's duty to write up the log, and he completed his account with, "Skipper sober."

The captain stared at it for a moment, then exploded.

"Well," was the mate's rejoinder, "it's true, ain't it?"

Cutting the Costs in Canadian Business

Bread Basket Takes a Trimming

Varieties, Deliveries, Returns of Bread All Fall Under the Economy Axe

By ROBERT C. STARK

Some more fruits of business which have been turned a bit sour by competition have been plucked from the Canadian economic tree of victory. The frill-cutting knife which is busy trimming many Canadian industries down to rock-bottom economy has taken a cut at the bakery trade.

Bread makers are now restricted to making no more than 15 varieties of bread and four varieties of rolls in any one day. Each brand, type and shape is classed as a variety.

While 15 varieties of bread looks like a lot, it really represents a very appreciable reduction. Up to now the making of 50 to 60 varieties of bread by one company was commonplace. For instance, take a sandwich load—these have been made in 12 inch, 17 inch, 20 inch and 24 inch size. Make those sizes in both white and brown and you have eight varieties right there.

Welcome the Move

Bakers generally have welcomed the variety cutting move as they have long recognized that competition has forced them into lines which really did not justify the expense on a longer-term basis. Drivers have come in and said some of their customers wanted a certain type of loaf and to satisfy that demand, limited though it may have been, production was undertaken.

Effect of the introduction of new type loaves has been generally to increase volume temporarily. Rarely have the new introductions held their first place of importance, the trend has been usually back to the old style loaf.

Reduction in the number of varieties will not only mean a saving in manufacturing costs but also in space in trucks and the deliveryman's basket.

In the manufacturing process itself time-consuming and non-essential frills like docking, twisting dough, cross-panning, splitting (split top), and cutting dough before baking, are being eliminated.

Incidentally, "bread" means bread of any kind, including fancy, fruit, whole wheat, brown, rye, or vitamin white (Canada Approved). These restrictions do not apply to unleavened bread.

Just how much the saving in these new moves will boil down to on a per loaf basis cannot yet be estimated, and whatever the figure may be it will vary substantially from company to company. For instance the elimination of slicing put into effect some months ago meant an appreciable saving to some bakers, particularly those with machines that had to be repaired. For other firms the saving was not so noticeable.

One of the larger Canadian bread companies made a saving of around 1/12 of 1 cent per loaf through cutting out slicing, and most of that saving was accomplished through the elimination of the inner wrap which sliced bread needed. Equipment maintenance and damage to bread were other fields where the slicing elimination meant greater economy.

Deliveries Reduced

Probably where the bakers will now be able to make their biggest cost cuts lies in the delivery field. They are now forbidden to make more than one delivery a day to any retail outlet, hotel, restaurant, canteen or consumer's home. Sunday deliveries are out except to a company depot, hospitals, Department of National Defense, railroads or steamships. Special deliveries to retail outlets were cancelled some time ago; they are now out altogether except to hospitals, Department of National Defense, railroads and steamships.

After this no manufacturer or distributor is to maintain in a city or incorporated town a delivery system which does not produce on the average for all routes maintained and operated a gross weekly sales record of $150, or in any village or rural district which does not produce a gross weekly sales record of $125.

Steps Already Taken

This latter ruling will probably mean consolidation of some routes, likely more co-operation among competitors in rural districts. Outlying districts, as a matter of fact, have already felt the effect of this trend as bread distributors pressed not only by the desire to save costs and man power but also by desire to conserve tires and gasoline have carried out some degree of revamping on their rural routes. Deliveries to some customers are being made less frequently while the element of co-operation with others in the trade for the benefit of all is a good deal more marked. Those in the business who have been doing this sort of thing report a good public reception with customers recognizing the wartime idea behind the moves.

A few weeks ago W. H. Harrison, the Administrator of Bread and Bakery Products, asked the baking industry to try and make a 25% saving on its truck deliveries. Through consolidations and reductions carried out since that request some firms have approached that savings figure.

No Returns Allowed

Another elimination of waste of material in the baking industry is the prohibiting of returns by a customer of any bread or bakery product which had been delivered to him in a good, sound and edible condition.

This raises a new problem for those firms which do all their selling through stores. This week Christie's Bread Ltd., one of this type, in a large advertisement to "Women Who Buy Bread" advised them that "Some day you may walk into your grocer's and find him 'sold out' of Christie's Bread for the day." The reason given is that in order to cut down the number of loaves which he now cannot return, the grocer obviously will order only what bread he can sell each day. To avoid being caught with an empty bread basket Christie's advises its customers to tell the grocer ahead of time how many loaves will be required each day.

Wrapping Rulings

Other regulations which now must be adhered to by every manufacturer of bread include a provision that he shall affix on a top end of every unwrapped loaf a paper label of not more than four square inches. On that label there is to be printed in one color the name and address of the manufacturer; the weight of the loaf when baked and the retail price; the brand of the bread if the manufacturer in the ordinary course of his business designates his product by a brand.

Bread wrappers are to carry the same information as the stickers with the exception of the retail price. Printed wrappers now in stock may be used, but after Sept. 23, 1942, the new regulation comes into effect regardless.

Still Many Worries

While all these changes will mean a moderate saving in the cost of making a loaf of bread, all is not sunshine and light in the Canadian baking industry. Bluntly, some in the trade feel they could do a better wartime job if they were left more to themselves. Too many official fingers in their dough pile is the complaint of some bakers who figure they have been a target for unwarranted interference. They point out that officials connected with the administrations of sugar, health, deliveries and paper have all recently had something to say about the bread business.

Another brow-furrower for bread men currently is their suspicion that they are going to be asked to absorb at least some of the 20 cent per bushel wheat price increase being given to the farmers. Pointing to the experience of the processing tax which pushed hundreds of Canadian bakers out of business they claim that if bakers have to absorb the wheat price rise many will again go to the wall.

The Week in Business

Measured by such standards as cheques cashed to individual accounts, central electric station power output, foreign trade or railway operations, it is clear that most sections of the Canadian economy are operating at or near top speed.

Bank debits, which measure the volume of cheques cashed, gained $350 millions in February this year over the same 1941 month and for the first two months are 11.7% higher.

Electric power, an excellent measure of industrial activity, shows a two-month gain of 20.3% this year with February figures continuing the upward trend.

Dividend payments for March, as measured by the Nesbitt, Thomson index, are at the same level as in January and fractionally up from the same month a year ago.

Foreign trade of Canada shows large gains in both imports and exports in February over the same month a year ago. For two months the rise is 39.1% for imports and 69.1% for exports. Our "favorable" trade balance (excess of exports over imports) for two months this year is $60 millions against $1.4 million in 1940. Wartime restrictions on exchange transactions go a long way toward wiping out any benefits from this situation.

Sea fisheries in February this year show a catch more than triple that of the same month a year ago in weight and up $320,000 in value. Most of the gain took place in British Columbia.

MONTHLY INDICES

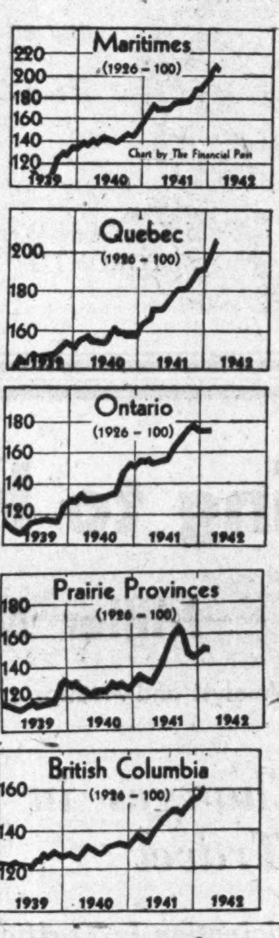
	Mar.	Feb.	Jan.	Dec.	Year Ago
The Financial Post business index	....	°169.2	168.0	166.6	154.8
National Incomem, D.B.S.•	..	....	....	456.4	418.9
Dom. war expend.•	....	132.9	145.2	124.4	82.7
Dom. total revenue•	....	109.7	120.5	111.5	80.0
Dom. total expend.°	....	163.7	184.6	168.0	105.5
Retail sales index no.	....	....	151.3	147.3	124.5
Dept. store sales index no.	....	141.1	151.1	145.8	126.1
Wholesale sales index no.	....	....	132.3	137.4	106.2
Country store (% change pr. yr.)	....	....	+20.5	+14.4	+2.4
▪Divd. payment index♦	121.4	121.4	121.3	120.3	121.0
COST OF LIVING—					
D.B.S. index	....	115.7	115.4	115.8	108.2
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	165.8	168.8		134.2
Manufacturing	....	188.4	187.5		144.7
Payroll index (a) (1937=100)	....	185	193		144

			Jan. 1 to date		%
RAILWAYS—	1941-42	1940-41	1941-42	1940-41	Change
▪Carloadings (week Mar. 21)	64,879	56,090	734,926	642,823	+14.3
▪C.N.R. gross (week Mar. 21) $	6,515,000	5,254,000	70,535,000	56,765,000	+24.2
▪C.P.R. gross (week Mar. 21) $	4,579,000	3,899,000	51,384,000	39,843,000	+29.0
C.N.R. net revenue (Feb.) $	3,644,440	2,609,117	8,801,552	5,759,511	+52.8
▪C.P.R. net revenue (Feb.) $	3,014,013	2,608,569	6,198,076	5,274,331	+17.5
IRON AND STEEL—(January)—					
Pig iron production (tons)	163,156	115,455	......	......	+41.3.
Steel ingots and castings prod. (tons)	257,069	208,659	......	......	+23.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Jan.)	6,043	5,733	......	......	+5.4
Factory output ... (Feb.)	3,989	10,647	8,238	22,637	—63.7
Trucks and Buses:					
Domestic sales ... (Jan.)	3,043	2,274	......	......	+33.8
Factory output ... (Feb.)	16,192	13,063	33,694	24,268	+38.9
Financing:					
Used ... (Jan.) $	1,675,898	2,452,366	....	....	—31.7
New ... (Jan.) $	1,623,444	2,168,043	....	....	—25.1
CONSTRUCTION—					
Contracts awarded . (Feb.) $	11,052,200	24,704,600	23,933,100	51,284,400	—53.3
Cement prod., bbls. (Dec.)	369,000	294,000	8,357,000	7,560,000	+10.5
AGRICULTURE—					
Flour prod., bbls. .. (Jan.)	1,555,850	1,177,369	....	....	+32.1
Flour exp., bbls ... (Feb.)	1,056,348	606,757	1,806,711	961,575	+87.9
Wheat exp., bush. .. (Feb.)	5,424,327	9,459,594	16,569,135	14,339,674	+15.5
Cattle sales▴ ... (Feb.)	76,861	68,750	187,137	152,457	+22.8
Hog sales▴ ... (Feb.)	507,817	511,468	1,102,732	1,043,727	+5.6
SEA FISHERIES—‡					
▪Catch cwts. ... (Feb.)	1,044,800	317,300	....	....	....
▪Landed value ... (Feb.) $	788,800	462,400	....	....	....
NEWSPRINT—					
Production, tons ... (Feb.)	278,101	245,607	590,005	506,905	+16.4
Exports ... (Feb.)	14,248,000	10,324,000	26,913,000	20,087,000	+34.1
MINING AND OILS—					
Coal prod., tons ... (Jan.)	1,897,954	1,777,863	....	....	+6.7
Coal import, tons .. (Jan.)	933,613	529,570	......	......	+76.3
Gold rec., fine oz. .. (Jan.)	442,038	461,602	....	....	—4.2
Crude oil, imp. gals.† (Jan.)	88,896	55,197	......	......	+61.1
ELECTRIC POWER OUTPUT—(February)—					
▪Total monthly, 1,000 kw.h.'s	2,842,463	2,407,068	6,068,752	5,041,763	+20.3
FOREIGN TRADE—♦					
▪Imports ... (Feb.)	$119,555,851	89,631,828	261,682,435	188,014,090	+39.1
▪Exports ... (Feb.)	$168,196,861	100,524,150	320,504,298	189,476,809	+69.1
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ... (Feb.)	128,978	151,941	232,421	316,833	—26.7
Shoes, prod., pr. ... (Jan.)	2,463,947	1,901,085	......	......	+29.5
Cotton consump., lb. (Feb.)	16,702,248	16,603,876	33,535,704	32,283,458	+3.8
Raw rubber imp. lb. (Jan.)	434,266	14,093,037	......	......	—96.9
Cigarette cons., No.† (Feb.)	775,737	556,519	1,523,470	1,180,090	+29.0
Sugar manufactured ... lb §	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
▪Bank debits† ... (Feb.) $	2,892,864	2,540,182	6,123,653	5,481,286	+11.7
Bond sales† ... (Feb.) $	90,092	115,573	180,418	197,260	—8.5
Life insurance sales (Feb.) $	39,357,000	31,500,000	82,438,000	59,826,000	+37.8

*D.B.S All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. °Final. ♦Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce.

Most Economic Areas Up in February

Three out of the five economic areas in Canada showed gains in business activity in February this year over the preceding month. Recessions were shown in the Maritimes and the Prairies but Quebec, Ontario and British Columbia all showed gains. British Columbia showed increases in a considerable number of significant factors. All areas are substantially above the corresponding month of last year.



Trend of Business in Economic Areas

	Feb., 1942	% Change* Feb., 1941	Jan., 1942
Maritimes:			
Constr. contr. ... $	963,000	—75.5	797,000
Bldg. permits ... $	97,000	—35.3	124,000
Life ins. sales ... $000	2,609	+23.1	2,734
Bank debits . $000,000	77.7	+30.2	77.2
Elec. pwr. . kw.h.000	77,000	+11.0	95,000
Employment*	178.8	+32.2	183.9
Index	206.6	+19.4	208.9
Quebec:			
Constr. contr. ... $	3,877,000	—66.6	5,482,000
Bldg. permits ... $	1,029,000	—33.8	1,488,000
Life ins. sales .. $000	10,211	+20.4	11,631
Bank debits . $000,000	826	+15.7	940
Elec. pwr. . kw.h.000	1,528,000	+22.7	1,746,000
Employment*	176.7	+26.8	175.0
Newsprint prod., tons	278,101	+13.2	311,904
Cotton consump., lb.	16,702,248	+0.6	16,833,456
Index	207.2	+22.9	201.0
Ontario:			
Constr. contr. ... $	3,717,000	—48.8	4,075,000
Bldg. permits ... $	2,235,000	—22.2	3,835,000
Life ins. sales .. $000	17,472	+21.1	19,797
Bank debits . $000,000	134.4	+10.4	1,517
Elec. pwr. . kw.h.000	809,000	+8.2	909,000
Employment*	173.3	+20.9	172.6
Livestk. slaughterings*	260.4	+35.9	284.9
Steel prod., short tons	245,689	+27.0	257,069
Auto. production . no.	20,181	—14.9	21,751
Index	175.5	+14.6	175.1
Prairie Provinces:			
Constr. contr. ... $	1,874,000	+144.6	1,510,000
Bldg. permits ... $	406,000	+11.2	426,000
Life ins. sales .. $000	5,658	+41.0	5,791
Bank debits . $000,000	435	+16.0	500
Elec. pwr . kw.h.000	223,000	+28.9	251,000
Employment*	126.8	+13.0	131.4
Wheat receipts .. bu.	6,512,000	—63.0	10,598,000
Wheat prices**	78	+3.3	77
Index	151.4	+14.2	152.2
British Columbia:			
Constr. contr. ... $	621,000	—45.9	1,018,000
Bldg. permits ... $	588,000	—35.5	360,000
Life ins. sales .. $000	2,988	+35.2	2,707
Bank debits . $000,000	209.8	+21.0	196.5
Elec. pwr. . kw.h.000	205,000	+19.9	225,000
Employment*	140.5	—19.0	142.5
Index	160.9	+17.4	158.7

*1926=100. Employment statistics apply to preceding month.
**Cents and eighths of a cent per bushel.

On the Record

Construction contracts awarded by M. & S. on behalf of the armed services now valued at more than $200 millions. Joint Air Training Plan construction work has accounted for 75% of the value. (M. & S. No. 766).

85 Canadian machine shops manufacture 25,000 types of gauges required for the production of munitions. 155,000 gauges have been ordered since the beginning of the war at a cost of more than $4,500,000.

Cigarette taxes collected in Canada in 1941 totalled about $74 millions. The excise stamp costs something over half a cent for each cigarette in the package.

50.97% of Canada's crude oil is imported by ocean tanker; 26.28% by lake tanker; 22.31% by pipe line and .44% by tank car.

55 million tons of cargo carried in more than 9,000 vessels have been convoyed from Canadian shores since the beginning of the war.

2,245,000 cases of canned salmon were packed by B. C. salmon canners in 1941, two-thirds of which was earmarked as stores for Great Britain.

Value of Canadian farm production is estimated at $1,375,066,000 gross value for all commodities in 1941 as compared with $1,259,377,000 in 1940.

More than $2,100 millions have been loaned by Canadians to the government; of this total, $126 millions were for war saving certificates.

Estimated cost of air defense is $315,000,000 for the year 1942-43, compared with $115,000,000 in 1941-42.

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MONTREAL CANADA

AS I SEE IT...

BY *The Honourable J. T. Thorson*
MINISTER OF NATIONAL WAR SERVICES

As I see it, no country can be more deeply concerned with the successful issue of this great conflict than Canada itself.

When the Dominion of Canada declared a state of war with the German Reich as the result of a free vote of a free Parliament, our country pledged its national honour that it would give its maximum aid in the struggle for the preservation of the rights of humanity.

We were the first nation in the New World to recognize that no nation anywhere in the world can stand alone. We cast aside all thought of isolation and entered this war as a united nation. We are proud to be associated with the gallant people of Britain and proud of our place as one of the United Nations.

Thus far Canada has been an essential and vital factor in holding the forces of liberty intact and preventing their collapse, but more is now required of us. With the courage of Russia, the tenacity of China and the entry of the great United States into the war, the British nations are no longer alone and victory can now be won, if all the United Nations stand united.

Canada will play her worthy part, for we have organized our human and material resources for a total war effort.

To achieve a total war effort we must carry forward our war objectives concurrently with a fixed determination.

What is the war programme of our people?

1. To carry on only such peacetime services and occupations as are essential to the life of the nation. We must see to it that there is no waste of manpower in non-essential activities or in the production of commodities not required for the prosecution of the war.

2. To produce ships, planes, tanks, guns and other essential munitions and materials of war, equipment and supplies to the fullest extent of our capacity. We have a two-fold duty in this field. Not only must we equip our own armed forces as strongly as possible, but we must produce in ever-increasing quantities for the United Nations. Our factories have sent munitions of war to every battle front in the world. This must go on and be increased. Over 600,000 persons are now engaged in the production of munitions of war. Fully 100,000 more will be required. We must mobilize our men and our women for this purpose.

3. To produce as much in the way of essential food supplies as can be transported overseas. Canada is the storehouse of the United Nations. Manpower must be allocated for the purpose of food production, so that Canada shall not fail in her commitments in that regard.

4. To raise and equip as strong armed forces as it is possible for us to do, army, navy and air, both as to quantity and quality of personnel and as to the effectiveness of their defensive and striking power both for the defence of Canada and to meet and defeat the enemy wherever he may be found. We have over 400,000 men enlisted for active service anywhere in the world—all are volunteers. When present plans are completed, we shall have over 600,000 enlistments. The Canadian Overseas Army, consisting of two army corps, will then be the strongest hitting unit in the British nations. Our Navy and our merchant seamen valiantly keep the bridge open between the new world and the old. More sailors and more ships must be supplied. Our airmen by the thousands now fight the daily and nightly battle of the skies on many fronts. One-third to one-half of the airmen of the British nations will be trained in Canada.

The attainment of each of these objectives is essential to a total war effort by our country—to achieve them every person should serve in that field of war activity where he or she can most effectively further the total war effort, for it is the totality of the war effort that counts.

Our National Selective Service system must be in aid of these objectives. We must make the best use of our manpower and womanpower. Our approach to the problem should be realistic and practical. We must not permit ourselves to be diverted from our objectives by controversies over methods. The attainment of the objective and not the means is the thing that counts.

Canada must hold herself steady and united in her determination to redeem her national pledge of maximum war effort.

Every Canadian man and woman must answer to the call of duty, for this is our war. This is the war of the Canadian people. Canada has never in her history failed to respond to the call of duty. It must not be said of her, after this conflict is over, that she entered this war as a free nation but failed in her national duty, that she promised her utmost aid but did not give it.

As I see it, every individual Canadian, whether of British or French or other origin, has the national honour of Canada in his or her charge.

J. T. Thorson

MINISTER OF NATIONAL WAR SERVICES

★ This article is the seventh of a series, by Canadian legislators, on matters of vital World and National interest. This series will be published in newspapers across Canada; the next to appear on April 18th followed by others on alternate weeks thereafter.

This space is donated to Canada's United War Effort by the Hull Iron & Steel Foundries Limited

Decision in U. S. Hits Newsprint Trade

60-day Hoist on Proposed Price Increase Creates Big Problem

By JOHN LANGDON

MONTREAL.—After four and a half years of "good neighbor" price policies, Canadian newsprint makers have been awakened by an OPA ruling to the fact that their goodwill programme may not pay off.

Since the goodwill policy began, relations between paper maker and publisher have been better than ever before. Frequent opportunities for raising newsprint prices have been allowed to pass in the belief that when and if prices had to go up, there would be a reasonable attitude on both parts.

Stuck to Policy

Newsprint mills maintained this policy despite rising costs, higher transportation charges, sharply higher taxes.

At the end of last year the time came when a price increase seemed essential. An advance of $3 a ton, to be effective April 1, was announced.

The American Newspaper Publishers Association took no stand against the proposed price increase. Individual buyers appeared to recognize the fairness of the industry's policy.

Even when the Office of Price Administration in the United States announced that in co-operation with the Canadian Wartime Prices and Trade Board it was undertaking an investigation to determine if the price increase was justified, no one, least of all the manufacturers, doubted the outcome.

Given Bad Setback

This week the OPA gave the proposed newsprint price increase a hoist of 60 days, during which time further studies will be made and a "permanent" regulation issued.

While the OPA does not specifically say the Canadian newsprint operators cannot advance the price, setting a maximum port price of $50 for 60 days in the United States effectively prevents putting the price increase into effect.

Obviously they could not bill their customers at $53 a ton on April 1 with American producers selling at $3 and $4 a ton under that figure.

While there is a possibility the price increase will be allowed—the OPA says results of operations during the first half of 1942 will be used to determine whether or not a high price is justified—operators in this country are keenly disappointed in the hold-up.

In some quarters the immediate reaction to the OPA announcement was conviction that the goodwill policy of recent years may have been a mistake. They argue had they advanced their price before or during the early months of the war they would now be getting considerably more with the approval of the government.

The fact remains no such action was taken and the price policies of the industry now come under the jurisdiction of the two governments.

Question of Sincerity

There is also the feeling that the OPA action was not wholly based upon factual information.

On the other side of the ledger is the fact the newsprint industry acted somewhat hastily last December in announcing the price increase.

It is understood the proposal to advance prices was not submitted to the Wartime Prices and Trade Board nor the Office of Price Administration.

The Canadian manufacturers were under no obligation to submit their price policy to the WPTB as it affected only export trade.

Donald Gordon, head of the WPTB, issued a statement shortly after the announcement to the effect that the price rise would not apply to Canadian sales.

Gave OPA Opportunity

This created an opportunity for the OPA to exercise its authority, as the outward impression created was that the newsprint manufacturers were attempting to gouge the American publishers, when actually such was not the case.

The OPA took a hand in the matter (there was no request for action by the American consumers) and immediately opened up negotiations with the WPTB for a joint enquiry.

Results of this survey have not been made public. There is reason to believe that the findings of the joint enquiry more than justified the action of the Canadian manufacturers in advancing the price $3 a ton.

Apparently some new development took place in the last 10 days to cause the OPA to give the price increase a 60-day hoist. Whatever it is, the fact remains relations between the Canadian newsprint manufacturer and the American publisher have received a serious setback.

Adds to Problems

Demand for Canadian newsprint in 1942 is expected to be below that for 1941. To date figures on production and shipments have held up well, but it can be said with some degree of certainty that the operating ratio for this year will be well below 80%. Last year the industry, as a whole, operated at 78.9%.

There are a number of reasons to back up this view of demand prospects. Overseas shipments are off already and will continue on the down side until the shipping situation improves.

American publishers have been accumulating stocks. Even allowing for anticipated transportation difficulties, etc. and the need for keeping higher than normal stocks, the U. S. publishers are probably holding from 75,000 to 100,000 tons more paper than actually is required at the current rate of consumption.

Added to this is the likelihood of a decline in advertising volume which will cause a shrinkage in size of papers. Automotive advertising has been sharply reduced; other types of advertising are likely to fall off.

Sell Less Paper

Consideration should be given to the fact that the volume of emergency products being made on newsprint machines has declined sharply. Demand for these kraft substitutes may pick up later in the year, but with restrictions on U. S. inventories, etc., the prospect is not overly good.

In addition to a decline in volume of business, the Canadian newsprint manufacturers are faced with higher wood costs, larger taxes and generally higher expenses all round.

Face Operating Difficulties

Some of them face the prospect of a curtailment in their power supply. This condition may not apply during the summer and fall months, but there is better than an average possibility of it happening by the turn of the year.

Add to this the growing difficulties in transportation — with some mills it is a real problem—and it will be seen the newsprint industry has difficult problems ahead.

Most, if not all of these problems, are recognized. It had been hoped that the moderate upward adjustment of $3 a ton in the price of newsprint sold in the United States would be an equalizing factor. With that equalizing factor temporarily removed by the OPA ruling, the Canadian newsprint maker is questioning the soundness of his 4½ year investment in goodwill.

U. S. Control Of All Pulp Tightens

MONTREAL. — Designed to conserve supplies and distribute equitably the available pulp between competing war and civilian requirements, the United States Wartime Production Board has placed the entire wood pulp industry under an allocation system, effective May 1. The new order affects all grades of pulp and all companies.

Details of the plan now available indicate that no deliveries of wood pulp may be made except by specific authority of the Director of Industry Operations. Pulp imported, most of which will come, as at present, from Canada, and reaching the United States after May 1, will be held until released by the Director. Persons who place orders for imports due to arrive after that time must notify the Director and must request the foreign producers to deliver the pulp in accordance with the directions laid down by the Director.

On and after the fifth day of each month beginning in April, the order requires pulp consumers to file with producers their orders for the following month on forms to be furnished by W.P.B.

A Good Name
For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.
Newsprint—Groundwood
270,000 h.p. Hydro Power Installed capacity
MACLAREN POWER & PAPER COMPANY
Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

CANADIAN BANK NOTE COMPANY
LIMITED
STEEL ENGRAVERS AND PRINTERS
of
Bank Notes, Bonds, Stock Certificates, Postage and Revenue Stamps and all Documents of a Monetary Character
Head Office: 224 Wellington Street, Ottawa
Branch 25 King Street West, TORONTO
Branch 360 St. James Street West, MONTREAL

Abitibi Case Goes To Privy Council

A direct appeal to the Privy Council is planned by R. S. McPherson, liquidator for Abitibi Power & Paper Co. and court representative for equity interests.

Mr. McPherson has made this definite decision, in which he has the support of shareholder and equity groups, following recent action by the Ontario Court of Appeals. This court, by a four-to-one decision, threw out his appeal from Mr. Justice Middleton's order for a sale of the company's assets.

Decision to carry the case to the Privy Council follows Ontario legislation just passed which authorizes an appeal from the recent judgment. There had been some doubt as to whether or not the Middleton order was an interlocutory, or final, order, from which no further appeal could be taken once the Ontario Appeal Court dealt with the matter. This has now been clarified by the Ontario Abitibi Power & Paper Co. Constitutional Question Act.

As the question of Ontario's power to enforce the legislation embodied in the Abitibi Power & Paper Co. Moratorium Act and the Constitutional Question Act is a major point at issue in this case, it is expected that the Ontario Attorney-General will appear, or be represented, before the Privy Council.

Opposition will come, it is expected, from the Bondholders' Protective Committee directly, and through the Montreal Trust Co. This is the group that seeks the sale order as a step in refinancing the long-bankrupt company.

Decision to carry the case directly to the Privy Council means a further delay of unknown length. Transportation and communication delays in wartime bring new difficulties to what has always been a relatively slow process. Thus there is no immediate prospect that the Abitibi case will be decided, and it is likely to drag on for some months yet, even if all possible efforts to expedite the hearing are made.

NEW AIDE

Andrew James Cowie has been appointed chief clerk to the vice-president and general manager, eastern lines, Canadian Pacific Railway. Mr. Cowie has long been prominent in work in the Toronto Y. M. C. A.

To Co-ordinate Pulp, Paper Industry

From Our Own Correspondent

MONTREAL.—Two special committees to guide and advise the Wartime Prices and Trade Board on the problems of the pulp and paper industry and to deal with matters beyond the scope of the Board's price administration, are announced by Wilbert H. Howard, Co-ordinator of Pulp and Paper Products.

Leading figures in the industry have agreed to serve on the committee which will assist not only Mr. Howard but also his deputy, C. N. Moisan, Montreal, and the 10 administrators of Price Control over as many different branches of the industry.

Composing four-men general advisory committee are: L. R. Weldon, president, and F. G. Robinson, first vice-president, of the Canadian Pulp and Paper Association; and Charles Vining, president, and Paul Kellogg, deputy president, Newsprint Association of Canada.

Will Study Economies

The second committee set up to deal with studies of possible economies and simplification of the industry follows:

P. M. Fox, general manager, St. Lawrence Paper Mills, chairman.

W. J. Waters, general manager, Mersey Paper Co.

E. W. McBride, Abitibi Power and Paper.

R. Collins, Consolidated Paper Corp.

E. M. Little, general manager, Anglo-Canadian Pulp and Paper Mills.

R. Bell Irving, vice-president, Powell River Co.

I. H. Copeland, Canadian International Paper Co.

W. S. Kidd, general manager, E. B. Eddy Co.

J. Stanley Babbitt, manager, Montreal Division, Gair Co. of Canada.

Company Reports

Ottawa Electric

Ottawa Electric Railway Co.'s business in 1941 showed substantial increase. President T. F. Ahearn said: every effort is being made to effect necessary repairs but the demand for transport facilities is constantly growing. Last year ten new buses were purchased and put into operation but it is now impossible to buy any rolling stock, while new buses are subject to ration by the Dominion Transit Controller.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross income	1,970,921	1,601,798
Less: Oper. expenses	1,130,698	974,050
Add: Other income	6,790	3,281
Net revenue	847,013	631,029
Less: Depreciation	242,741	239,903
Tax provision	351,000	190,000
Bond interest	85,750	90,300
Other expenses	2,938	2,506
Refin. expenses	7,600	8,056
Net profit	156,983	100,264
Less: Dividends	59,834	52,795
Surplus	97,149	47,469
Add: Prev. surplus*	586,889	516,737
Surplus forward	684,038	563,206
*Adjusted.		
Earned on Common	$4.46	$2.85

Working Capital

	1941 $	1940 $
Current assets	1,033,695	786,597
Current liabilities	558,830	367,584
Working capital	474,865	419,013

Balance Sheet Changes

	1941 $	1940 $
Govt. bonds	200,000	24,687
Property	7,119,798	6,951,440
Funded debt	1,960,000	2,100,000

Anglo-Can. Telephone

F. S. Spring, president, states the company owns or controls through its subsidiary 24,019 shares of the capital stock of Philippine Long Distance Telephone Co. out of a total of 70,571 shares outstanding. Property of the latter company is in the Philippine Islands and a large portion has fallen into Japanese hands. Little or no information is available as to what has been done with this property or the company's personnel.

No income from the Philippine company can be expected so long as it is under enemy control. Philippine Long Distance contemplated a $4 dividend rate for 1941 and, prior to Jan. 1, 1941, the company had paid $5 per annum. Discontinuance of payment of dividends by the Philippine company on the basis of the $3 a share actually paid in 1941 will mean a direct reduction in Anglo-Canadian's income of $4,-980 compared with 1941 and a reduction in income of its subsidiary of $67,557.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Dividends, int., etc.	670,669	723,412
Less: Salaries, fees, etc.	67,178	65,956
Taxes	15,724	22,003
Conting. reserve	......	50,000
Net profit	587,767	585,453
Less dividends:		
Preferred	227,150	227,150
Class A	292,260	292,260
Surplus for year	68,357	66,043
Add: Prev. surplus	744,638	678,595
Surplus forward	812,995	744,638
Earned per Share:		
Preferred	$7.12	$7.09
Paid	2.75	2.75
Class A	0.74	0.70
Paid	0.60	0.60
Shares o/s.:		
Preferred, $50 par	82,600	82,600
Class A $10 par	487,100	487,100
Deferred, $10 par	200,000	200,000

Working Capital

	1941 $	1940 $
Current assets	611,801	752,774
Current liabilities	64,793	64,511
Working capital	547,008	688,263

Canada Starch

Moderate reduction in net profit is reported by Canada Starch Co. in 1941 due to higher taxes and depreciation charges. Directors wrote down book value of goodwill to $1 from $300,000 and transferred the surplus of The Lakes & St. Lawrence Navigation Co., a wholly owned subsidiary, to earned surplus account.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	805,256	681,349
Add: Invest. rev.	3,517	3,698
Subsid. divds.	......	22,000
Gross oper. profit	808,774	707,047
Less: Depreciation	135,943	108,324
Exec. sals., etc.	75,200	69,250
Dir. fees	2,500	1,160
Legal exps.	1,363	479
Loss on invs.	1,206	301
Taxes	267,500	177,700
Tax adjust.	......	7,434
Net profit	325,061	342,399
Less: Pref. divds.	214,837	214,837
Com. divds.	29,662	29,662
Surplus for year	80,562	97,900
Add: Prev. surplus	597,474	574,574
Subsid. divd.	152,836	......
Less: W/o goodwill	299,999	50,000
Conting. prov.	......	25,000
Surplus forward	530,873	597,474
Earnings per Share:		
Preferred	$10.59	$11.40
Paid	7.00	7.00
Common: Earned	1.86	2.22
Paid	0.50	0.50

Working Capital

	1941 $	1940 $
Current assets	2,645,044	2,137,290
Current liabilities	970,629	530,055
Working capital	1,674,415	1,607,235

JAMES W. SEWALL
Ruttan Block, Port Arthur, Ont.
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER

The GREAT LAKES PAPER COMPANY *Limited*
DIRECTORS
HON. EARL ROWE
President
A. D. COBBAN
Vice-President
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RAY LAWSON
W. J. PALMER
C. B. SHIELDS
R. G. MEECH, K.C.
SEN. N. M. PATERSON
J. E. GEFAELL
Vice-president in charge of sales
C. ENGLAND
Assistant to the President and Secretary-Treasurer
Manufacturers of
HIGH-GRADE NEWSPRINT
and
SULPHITE PULP
A modern mill affording an annual capacity of 113,000 tons newsprint, also excess sulphite mill capacity sufficient to provide 15,000 tons annually of unbleached sulphite pulp for export.
PAPER MILL AT
FORT WILLIAM, ONTARIO
TORONTO OFFICE
55 YORK STREET

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

What's going to Happen to Traffic?

Miller McClintock

Noted Traffic Analyst and Auditor of the Traffic Audit Bureau Incorporated

War Demands Changes in Methods of Travel

Important changes lie ahead in the field of public transportation which will greatly affect the daily lives of nearly all of us. Due to war-time requirements for petroleum and rubber there is now restriction, and in the future may even be abandonment of the use of the automobile for all but essential services. To what degree a shift in the means of transportation will take place and to what extent present day automobile traffic will be transferred to other forms of transportation cannot be said definitely at this time. There are however, certain basic factors in the very nature of traffic flow and its relation to outdoor advertising, that do lead to positive conclusions.

Traffic and Trade Closely Related

Traffic movement is and always has been primarily the result of working and selling. Only a minor part of total traffic volume is the result of purely casual movements of people — the so-called pleasure traffic. **This type of traffic movement takes place largely on week-ends and during vacation periods, and is not included in the traffic flow computations of the Traffic Audit Bureau, Inc.** Thus, because of the inherent relationship of movement of traffic with our everyday production and distribution of goods and services, and with due regard to seasonal and long term variations, traffic volume always varies according to the degree of activity in production and distribution.

Increased Traffic Movement To Be Expected

We are now in an era of vastly expanded productive activity, due to the demands of the armed forces for supplies and equipment of all kinds in hitherto unheard of quantities. Everywhere new plants are coming into being and the production of existing plants greatly increased.

The millions of workers involved must travel regularly to and from their work. They must travel by whatever forms of transportation are available and most suited to their needs. **It is my opinion, therefore, that because of the inherent characteristics of traffic as an integral part of production and distribution, that there will be great increases in the daily movements of traffic in most markets.**

Participation In Traffic Essential Of Living

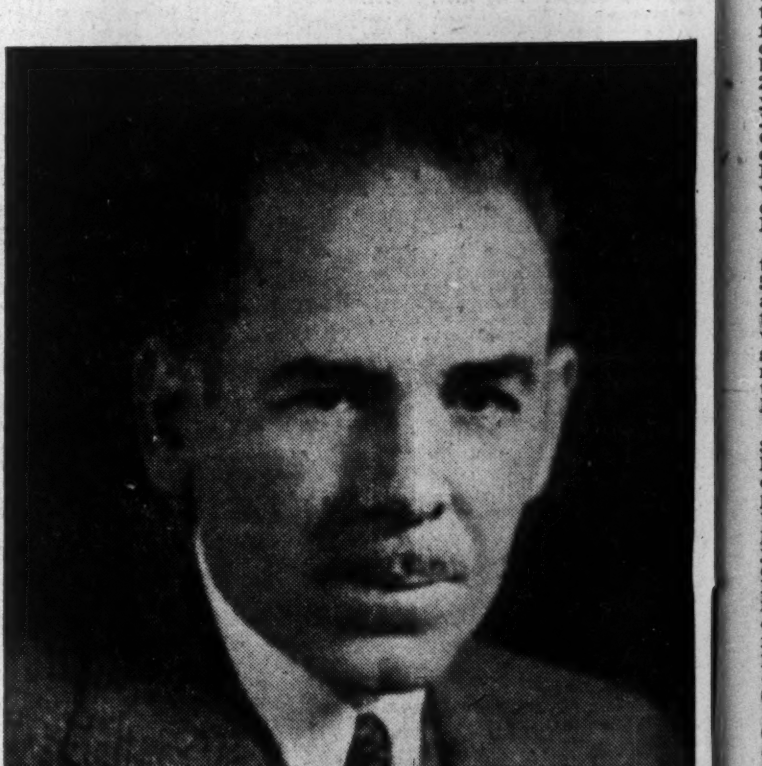
War-time restrictions on the sale of gasoline, tires and motor cars will result in some shifting in the distribution of traffic volume as between the automobile and other forms of transportation. One should not however, jump to rash conclusions. Use of the more than one and a half million motor vehicles in Canada will be continued as long as it is possible for their owners to operate them within conscientious and legal restrictions. Canadians have become wedded to the service provided by their automobiles, and for many an automobile is an important factor in earning a livelihood. But in no case can the individual who abandons full or partial use of his automobile cease to participate in street traffic. He must simply substitute either a combined use of the motor vehicle with others, use any available mass transportation facilities, or in many instances, walk. Regardless of whether he drives with others, uses street cars or buses or walks, he is still a part of the volume of street traffic. Even if all automobiles were confiscated, there would be only a nominal modification in total volume of traffic — although a vast dislocation with respect to means of transportation.

Poster Advertising Continues To Reach Traffic

Another question likely to be raised is—"To what degree will Poster Advertising continue to cover the new traffic pattern?" The answer is not hard to find. In every town and city, certain streets are heavily travelled because they form the most convenient routes for motor cars, mass transportation facilities and pedestrians to reach shopping areas, business offices, factories and places of entertainment. Poster panels are now concentrated largely upon these major routes of travel — the streets by which people find it most convenient to come and go from their homes to work, to shop or to enjoy recreational pursuits. With the exception of some unusual cases, it can be stated with security that the bulk of each class of traffic — automobile, street-car and bus and pedestrian—uses the main streets. Therefore, even with the use of the automobile substantially curtailed and subsequently the public converted to other modes of transportation, the routes of travel which are now dominant will remain so.

Thus Poster Advertising, as it is now laid out, will continue to cover with great efficiency the pattern of any converted traffic, and Poster messages will continue to be seen repeatedly, by masses of people, day after day.

The Traffic Audit Bureau Inc., as the authority for evaluating the circulation of Outdoor Advertising, will follow with care all dislocations in traffic circulation and will undertake the necessary studies to measure and report upon any important changes.



Poster Advertising Assoc. of Canada
80 Richmond Street W., Toronto

Canadian Pacific Railway Company

SIXTY-FIRST ANNUAL REPORT

OF THE

Directors of Canadian Pacific Railway Company

YEAR ENDED DECEMBER 31, 1941

To the Shareholders:

The accounts of the Company for the year ended December 31, 1941, show the following results:—

INCOME ACCOUNT

Gross Earnings		$221,446,053
Working Expenses (including taxes)		175,488,517
Net Earnings		$ 45,957,536
Other Income		13,382,059
		$ 59,339,595
Fixed Charges	$ 24,228,698	
Interest on bonds of Minneapolis, St. Paul & Sault Ste. Marie Railway Company, guaranteed as to interest by your Company	749,465	
		24,978,163
Net Income		$ 34,361,432
Dividends on Preference Stock:		
2% paid August 1, 1941—£564,070	$ 2,521,391	
2% payable February 2, 1942—£564,070	2,521,391	
		5,042,782
Balance transferred to Profit and Loss Account		$ 29,318,650

PROFIT AND LOSS ACCOUNT

Profit and Loss Balance December 31, 1940		$144,045,295
Balance of Income Account for the year ended December 31, 1941		29,318,650
		$173,363,945
Deduct:		
Loss on lines abandoned and on property retired and not replaced	$ 649,076	
Exchange adjustment in respect of steamship insurance recovered in sterling	1,670,032	
Miscellaneous—Net Debit	658,901	
		2,978,009
Profit and Loss Balance December 31, 1941, as per Balance Sheet		$170,385,936

Net Income for the year amounted to $34,361,432, being $14,216,376 greater than in 1940.

Railway Earnings and Expenses

The comparative results of railway operations were as follows:

	1941	1940	Increase or Decrease
Gross Earnings	$221,446,053	$170,964,897	$ 50,481,156
Working Expenses (including taxes)	175,488,517	135,325,459	40,163,058
Net Earnings	$ 45,957,536	$ 35,639,438	$ 10,318,098
Expense ratios:			
Including taxes	79.25%	79.15%	.10
Excluding taxes	71.65%	74.61%	2.96

Gross Earnings increased by $50,481,156, or 29.5%. The substantial increases occurring in the earlier months, as a result both of rising wartime activity and the delayed movement of the 1940 wheat crop, continued to the close of the year, even though the final quarter of 1940 had been a period of relatively heavy traffic.

Freight Earnings increased by $41,569,461, or 30.6%. They were exceeded only in 1928, when the greatest grain movement in the history of your Company occurred. The volume of freight traffic was greater than that of any previous year, amounting to 22,376 million ton miles, 21.5% above the 1928 peak of 18,423 million. The average revenue per ton mile dropped to 0.79 cents, the lowest since 1917.

Apart from grain and grain products, freight earnings reached a record level, with a gain over last year of 28.1%. This was almost entirely the result of the conversion of the national economy to a wartime basis. Increases took place in every major commodity group, the most striking being in manufactured goods, lumber and bituminous coal.

Earnings from grain and grain products increased by $11,147,124, or 40.2%. The volume of grain handled was 215 million bushels, compared with 166 million bushels in 1940. This was considerably more than the average of 155 million bushels for the ten years 1931-40, which included a period of severe drought, but was well below the average of 254 million bushels for the five years 1925-29. The increase for the year resulted from larger export clearances and additional storage capacity at the head of the Great Lakes and other terminal ports, which made possible the movement of large quantities of grain from Prairie points.

The Prairie wheat crop amounted to 279 million bushels, as against 514 million in 1940, a decrease of about 45%. However, as a result of the large carry-over from the previous crop, it is estimated that the stock of wheat available for movement from the Prairie Provinces at the close of the year was only 25% less than in 1940.

Passenger Earnings increased by $6,895,040, or 37.5%, and were the highest since 1930. Traffic throughout the Dominion was very heavy, particularly on your Company's transcontinental line. The average passenger journey was the longest yet recorded, rising to 144 miles as compared with 119 miles in 1940. However, the low rates in effect for members of the armed forces, both on duty and on furlough, caused a reduction in the average revenue per passenger mile to 1.91 cents, as against 1.97 cents in 1940, the lowest since 1916.

Other earnings increased by $2,016,655, or 12.0%. The largest increases occurred in sleeping and dining car and news services. Net payments for hire of equipment amounted to $382,296 as compared with net receipts of $89,390 in 1940.

Working expenses increased by $40,163,058, or 29.7%. Exclusive of taxes the increase was $31,095,766, or 61.6% of the increase in gross earnings. The wartime cost-of-living bonus paid to employees under various Dominion Orders-in-Council amounted to approximately $4,500,000. The first cost-of-living bonus was made effective on June 1 under Order-in-Council P.C. 7440, as amended by P.C. 4643, being at the rate of $1.93 per week. On September 1 the rate was increased under these orders to $3.20 per week, and on November 16, under Order-in-Council P.C. 8253, to $3.65 per week. The last mentioned rate, if maintained, will involve an annual expenditure by your Company of more than $10,000,000. The ratio of working expenses (excluding taxes) to gross earnings was 71.65%, as compared with 74.61% in 1940, and was the lowest since 1917.

Maintenance of way and structures expenses increased by $7,835,672. During the year 1,546,175 treated and 1,438,836 untreated ties were placed in track and 249 single track miles of new rail were laid. Tie plates to the number of 2,137,550 and rail anchors to the number of 790,380 were installed. Testing of rails for invisible defects by Sperry detector car was continued. These cars traversed more than 5,000 miles of track during the year, and all defective rails indicated were removed. The unprecedentedly heavy traffic now being handled and the desirability in the national interest of curtailing the demand for labour and materials in order to avoid interference with the war effort made it advisable to limit the work of maintenance of track and structures to that required for safe operation. Consequently, it was deemed desirable to anticipate maintenance expenditures that will become necessary in the post-war period by including in the expenses for 1941 an amount of $3,500,000 to create a special renewal reserve equal to the difference between the actual expenditure and that which would have been made under similar traffic conditions in peacetime.

Maintenance of equipment expenses increased by $7,611,509. Locomotive repairs involved an expenditure of $10,132,262, and included the shopping of 614 engines for heavy repairs. Nine locomotive boilers and seventeen tenders were replaced and automatic stokers were installed in thirty engines. Expenditures for freight car repairs amounted to $9,406,014. The programme for the year included heavy repairs to 23,827 cars and application of cast steel truck side frames to 3,525 cars. Passenger train car repairs involved an expenditure of $5,957,948. General overhauling of 1,387 cars was effected during the year. To meet the demands of traffic ten lounge and five compartment cars were converted into other classes of sleeping and parlor cars and air-conditioned. Steel centre sills and other improvements were installed in six baggage and express cars. At the end of 1941, 92.3% of locomotives and 98.0% of freight cars were in serviceable condition, as compared with 89.5% and 96.0%, respectively, the previous year. Charges for depreciation of rolling stock on the basis of use amounted to $12,700,602, as compared with $10,317,760 in 1940.

Transportation expenses increased by $14,152,798. In spite of higher labour, fuel and material costs, the ratio of transportation expenses to gross earnings was the lowest on record, being 32.62% as against 33.97% in 1940. Although the special traffic conditions made unprecedented demands on rolling stock and facilities, a high degree of efficiency was maintained, as indicated by the following comparisons:

	1941	1940
Freight train load—gross tons	1,759	1,747
Freight train fuel consumption—pounds per 1,000 gross ton miles	98	97
Freight train speed miles per hour	17.2	17.5
Freight car movement—miles per car day	46.20	36.13
Freight car load—tons	31.86	30.12
Gross ton miles per freight train hour	30,312	30,653
Revenue passenger miles per train mile	74.33	55.67

Other working expenses increased by a net amount of $10,563,079, of which $9,067,292 was attributable to higher taxes. Railway tax accruals of $16,833,158, including $12,400,000 for Dominion income and excess profits taxes, were by far the highest on record, absorbing 7.6% of the gross earnings and being equivalent to almost one-half of the net income for the year. These tax accruals do not include duties, which sales taxes or customs duties, which though charged to working expenses are not segregated.

Other Income

Other income amounted to $13,382,059, an increase of $2,689,895, or 25.2%.

Dividend income increased by $342,672. Dividends paid by The Consolidated Mining and Smelting Company of Canada, Limited, were at the rate of $2.50 per share, compared with $2.25 in 1940, which resulted in an increase of $420,625 in the amount received by your Company.

Net income from interest, exchange, separately operated properties and miscellaneous sources increased by $2,253,202. Interest received on deferred payments on land contracts was greater, and income from the Steamship Replacement Fund was accrued for a full year for the first time. The net of receipts and payments in currencies other than Canadian during the year resulted in an increase in income from exchange.

Net earnings of ocean and coastal steamships amounted to $2,788,297, a decrease of $287,612. Agreement was reached on certain details of hire for requisitioned vessels which were still unsettled at the close of 1940. The present year's accounts include an amount of $1,319,969, representing additional earnings for the previous year over and above the amount, partly estimated, which was shown in the last Annual Report. The decreased net earnings for the year are accounted for by the fact that fewer ocean vessels were in operation. Coastal steamship operations resulted in an increase in net earnings of $387,628.

Net earnings of hotel, communication and miscellaneous properties increased by $381,634. Every hotel reported improved earnings, and the total increase amounted to $367,228. The increase in communication earnings was $266,579, accounted for largely by gains in ordinary commercial, telegraph transmissions and telegraph tolls on cable messages. There was a decrease of $252,173 in earnings of miscellaneous properties.

Fixed Charges and Guaranteed Interest

Fixed charges decreased by $1,152,018. The principal reductions resulted from the retirement without refunding of the Twenty Year 4½% Sinking Fund Secured Note Certificates and of substantial amounts of the Collateral Trust Bonds and Serial Secured Notes.

The amount charged to income on account of guaranteed interest on Soo Line bonds was reduced from $805,830 in 1940 to $749,465, as a result of the discontinuance of the practice of computing interest accruals on the bonds held by your Company. Heretofore this interest has been taken up through Other Income, so that the change in accounting has no effect on Net Income.

Dividends

Dividends amounting to $5,042,782, being at the rate of 4% on the non-cumulative, Preference Stock, were declared out of the Net Income for the year.

After careful consideration it was decided not to declare any dividend for the year 1941 on the Ordinary Capital Stock. In reaching this decision your Directors are of the opinion that greater benefit will inure to the shareholders through the further strengthening of the financial resources of your Company than from a disbursement of current income. The increase in earnings during the last two years has been due almost entirely to wartime activity and cannot be depended upon as a true indication of future results. The shareholders' equity will continue to be enhanced to the extent that capital expenditures and maturing obligations are met without recourse to new financing, and your Company will be in a better position to meet the unpredictable conditons of the post-war period, which may require extensive changes in facilities and services.

Profit and Loss Account

The balance of income account transferred to profit and loss amounted to $29,318,650, as compared with $15,102,274 in 1940.

Loss on lines abandoned and on property retired and not replaced amounted to $649,076. Three sections of branch line in the Province of Quebec were abandoned during the year, viz., Mando to Point Fortune, 6.8 miles, Kingsbury to Windsor Mills, 9.3 miles, and Eastman to Peasley's Siding, 6.8 miles.

The proft and loss balance at the close of the year was higher by $26,340,641 than at the end of 1940.

Land Accounts

During the year 89,449 acres of agricultural lands were sold for $569,717, an average price of $6.37 per acre. Included in this total were 200 acres of irrigated land, sold at an average price of $39.94 per acre.

Cash received on land account totalled $2,856,347, including $493,599 for petroleum rights, coal land rents and royalties, and gas royalties. Disbursements for land and irrigation expenses, including taxes, were $1,297,419, leaving net cash receipts of $1,558,928. This was an improvement of $356,614 over the previous year.

Continuing the policy of rendering assistance to farmers in the Western Provinces who have suffered through adverse conditions, your Company extended to the current crop year the same rebates of interest and other concessions as were granted in 1940. The total amount of assistance to holders of farm contracts since 1932 has been $18,130,562.

Balance Sheet

The General Balance Sheet is presented with its supporting schedules in its customary form. For clarity and brevity all amounts have been shown in even dollars.

The net increase in Property Investment during the year amounted to $5,515,477.

Owing to increased insurance risk resulting from wartime conditions, it was decided to retain in the Insurance Fund the excess of premiums and investment income over losses sustained during the year. As a result, the Insurance Fund and Insurance Reserve were increased by $740,835.

The Steamship Replacement Fund was augmented by further amounts recoverable as insurance on vessels lost through enemy action during the year and by interest earned by the fund.

The excess of Current Assets over Current Liabilities was $57,909,423, or $7,630,457 greater than at the end of the previous year. The increased amount of income and excess profits taxes unpaid, together with the provision for redemption of outstanding Twenty Year 4½% Secured Note Certificates, which were called on June 15, account for the increase of $10,190,120 in Other Current Liabilities.

Miscellaneous Accounts Payable include $980,940 which was paid to the Dominion Government on January 2, 1942. Of this amount $110,940 was the final instalment on the 2½% loan under the Unemployment Relief and Assistance Act, 1936, and $100,000 the current instalment and $770,000 the entire unpaid balance of the 4% loans under the Supplementary Public Works Construction Act, 1935, which was repayable serially to 1950.

Finance

Serial 3% Collateral Trust Bonds to the amount of $1,000,000 were redeemed, and 3% Collateral Trust Bonds due 1945 to the amount of $2,000,000 and 6% Collateral Trust Bonds due 1942 to the amount of $223,000 were purchased and cancelled. Consolidated Debenture Stock to the amount of $3,953,200, pledged as collateral to these bonds, was released and cancelled.

During the year $331,000 of matured but unredeemed Collateral Trust Bonds were paid. Consolidated Debenture Stock to the amount of $397,200, pledged as collateral to these bonds, was released and cancelled.

Equipment obligations to the amount of $3,918,202 matured and were paid, and Consolidated Debenture Stock to the amount of $268,000 pledged under Series "D" was released and cancelled. The sum of $2,746,292 was deposited with the Trustee of the Equipment Trust maturing July 1, 1944. Under authority of the Trust Agreement the Trustee expended $691,117 of the amount deposited in the purchase of new rolling stock to be leased to your Company and also purchased and cancelled $189,000 of the Equipment Trust Certificates.

Serial 4% Secured Notes to the amount of $638,285 were redeemed on February 1, and on such redemption Consolidated Debenture Stock to the amount of $1,631,500 was released and cancelled.

The balance of $18,473,100 Twenty Year 4½% Sinking Fund Secured Note Certificates, maturing December 15, 1944, were called for redemption on June 15. By the end of the year $17,209,700 of these Note Certificates had been redeemed, and the amount owing with respect to the remaining $1,263,400 is included in the balance sheet under Other Current Liabilities.

On December 1, $2,000,000 of the 3% Serial Secured Notes, maturing December 1, 1943, were prepaid. As a result of such prepayment Consolidated Debenture Stock to the amount of $2,000,000 was released and cancelled, and 68,000 shares of capital stock of The Consolidated Mining and Smelting Company of Canada, Limited, were released.

At the beginning of the year 1941 the sum of $210,940 was repaid to the Dominion Government in reduction of the liability for loans made on account of unemployment relief.

The financial transactions for the year provided for the retirement without refunding of $29,486,493 of bonds, notes and other obligations, and in a reduction of $8,249,900 in the amount of Consolidated Debenture Stock issued as collateral.

Pensions

Your Company's outlay under its pension plan and the levies upon it under the United States Railroad Retirement Act aggregating $3,562,671 were included in working expenses.

The number of employees pensioned during the year was 637. After allowing for deductions owing to death and discontinuance from other causes, the total number on the pension payroll at the end of the year was greater by 282 than at the end of 1940.

Distribution by ages was as follows:

Under 60 years of age	252
From 60 to 64 years of age inclusive	507
From 65 to 70 years of age inclusive	2,093
Over 70 years of age	1,594
	4,446

Air Lines

The Air Services Department organized by your Company in 1940 in co-operation with the British Ministry of Aircraft Production ceased operation on July 15. The activities of this department had expanded rapidly in conjunction with the acquisition by the British Government of military aircraft in America and were conducted on a non-profit basis. Atfero, a special branch of the Ministry, took over the operations previously carried on by the civilian organization set up by your Company until the services were finally brought under the direction of the Royal Air Force Ferry Command.

In furtherance of the policy outlined in the proceedings of the last annual meeting with respect to acquisition of a controlling interest in various air lines, your Company acquired the entire capital stock of Arrow Airways Limited and Dominion Skyways Limited, and a majority interest in Canadian Airways Limited, Prairie Airways Limited and Wings Limited.

The operating reorganization of the lines is proceeding, and it is anticipated that as a result of the steps being taken air transportation in Northern and Western Canada will be placed on a more efficient basis. These lines furnish the only practical agency of transportation to and from large portions of the Central and Western Provinces and the Yukon and Northwest Territories. Journeys which now take but a few hours formerly consumed weeks or months by the primitive means of transportation then available. Practically speaking, the existence of the communities which have been established in these areas depends upon the continuation of aeroplane service.

It is planned to extend these services as requirements demand. Such extensions, other than those directly called for in the prosecution of the war, will of course be restricted by the amount of equipment available for commercial transportation purposes, but subject to that limitation every effort will be made to provide modern and economical air service throughout those parts of the Dominion served by your affiliated companies.

The Government has recognized the necessity for the maintenance of these services, and the necessary priorities have been granted for equipment, repair parts and supplies to enable this to be done.

Your investment in these affiliated companies, including advances for the acquisition of equipment, working capital and other requirements, amounts to approximately $3,400,000. Further steps towards the consolidation of these companies are being taken.

Minneapolis, St. Paul & Sault Ste. Marie Railway Company

The gross earnings of this Company increased by $2,609,258, and the net earnings were $2,313,569 as compared with $2,036,278 in 1940. The grain crop in the area served by the Soo Line amounted to 50 million bushels, compared with 40 million in 1940. This was the largest crop since 1928. Working expenses for 1941 included $396,821 for special amortization of equipment authorized by a defence certificate.

As forecast in the last Annual Report, the negotiations between your Company, the Trustees of the Soo Line and representatives of holders of Soo Line Bonds resulted in an agreed plan of reorganization. This plan was filed with the Interstate Commerce Commission by the Trustees on March 19. It includes a provision that if a plan should finally be approved and made effective substantially in the form of that filed by the Trustees, your Company would enter into a traffic agreement with the reorganized company providing for the continuation of the traffic relationships and arrangements between the two companies which existed between the Trustee of the Soo Line and Your Company on November 1, 1940.

A public hearing was held before one of the Commission's examiners in May and his report recommending a modified plan of reorganization was issued on August 29. Exceptions having been filed by some of the parties in interest, a hearing by the Commission was held on October 28. A draft of the proposed new traffic agreement has been agreed upon and filed with the Commission at its request, but no final report has yet been issued.

In the meantime, no further proceedings are being taken in the action pending in the Circuit Court of Cook County, Illinois, referred to in the Annual Report of 1939.

The only action which is being pressed in connection with guarantee of interest on the First Consolidated Bonds is a suit in the State of Ohio in which an appeal from the judgment in favour of your Company is pending.

The Duluth, South Shore and Atlantic Railway Company

The gross earnings of this Company increased by $747,184, and the net earnings were $627,466 as compared with $279,722 in 1940.

The litigation to which reference was made in the last Annual Report is still pending and has further delayed the filing of a plan of reorganization. Just prior to the close of the year, representatives of holders of the First Mortgage Bonds made a request for the re-opening of the negotiations broken off in April 1940.

Rates and Services

No major changes in freight rates occurred during the year. Eight new agreed charges were put into effect, among them one applying on petroleum products shipped from Calgary to points in Alberta and Saskatchewan. This should be of material assistance in the orderly marketing of the product of Turner Valley oil in the Prairie Provinces.

Effective November 5, 1939, all personnel of His Majesty's forces proceeding on leave were granted a fare for round trip travel equivalent to the regular one-way fare. On July 10, 1941, special passenger fares, at the rate of two-thirds of the one-way fare for the round trip, were put into effect for members of the armed forces on annual or embarkation leave. Half of the reduced fare is paid by the Dominion Government and the other half by the passenger.

Maximum freight, passenger and express rates in Canada were fixed by the Wartime Prices and Trade Board at the level in effect during the period September 15 to October 11, 1941. Increases in such rates may only be made with the concurrence of the Board. Temporary or seasonal rates heretofore existing may be applied as in the past.

New rolling stock placed in service during the year included 25 air-conditioned first class coaches of the most modern design, 10 light weight steel baggage and express cars equipped with end doors for handling automobiles and other special shipments, 500 steel box cars of 50 tons capacity, 550 steel coal cars of 50 tons capacity with twin hoppers and 250 of 70 tons capacity with three hoppers. The 35 locomotives, 150 automobile cars and 25 additional first class coaches for which appropriations were approved at the last annual meeting had not been delivered by the close of the year.

The declaration of war upon Japan resulted in the closing of your Company's agencies in Japanese and Japanese-occupied territory.

Wartime Activities

Transportation requirements during the year were unusually severe. In addition to the heavy traffic handled in regular services, there were many calls for emergency movements. These demands were intensified with the opening of hostilities in the Pacific.

Motive power and other rolling stock were utilized to a degree never before reached in the history of your Company. In the case of freight cars, the improvement was the result to a large extent of whole-hearted co-operation on the part of the shipping public. Moreover, in addition to the substantial increase in the carrying capacity of cars, the improvements in design and construction of the modern equipment provided during recent years have made possible a material reduction in the time spent for repairs.

The increased traffic resulting from war activities necessitated the extension of a number of railway facilities which were adequate for normal business. During the year 36 miles of new yard and siding track were constructed, and 71 miles of new industrial tracks were provided to serve 115 new plants and undertakings throughout the Dominion. Most of this construction pertains to war projects undertaken either by private interests or by the Government and its various agencies.

The programme of munitions production at your Company's shops has proceeded with marked success, and the many difficulties incident to the initiation of the special projects have been effectively overcome. At the close of the year, the rate of production of Valentine tanks at the Angus Shops in Montreal had reached the objective of three per day. These tanks compare very favourably in cost with units of similar design produced elsewhere. A considerable number of them have been shipped to Russia, where they have rendered effective service in the field. Certain extensions and additions to the Angus Shops have been constructed for this work.

Preparatory work for the construction of naval guns and mountings at the Ogden Shops in Calgary was completed, and production was under way shortly before the close of the year. The entire locomotive shop at Ogden is being devoted to this purpose, and it has been necessary to make certain additions to facilities elsewhere to take care of heavy locomotive repair work previously done at Odgen.

Through the medium of the air lines which have been acquired by your Company, the Royal Canadian Air Force has been supplied with a large number of skilled pilots and technical help for administrative work in the British Commonwealth Air Training Plan. In addition, one elementary flying training school, six air observer schools and three plants for the overhaul of planes and engines are maintained at various points throughout the Dominion. An additional overhaul plant is now under construction.

Your Company's entire fleet of ocean steamships, together with two units of the British Columbia coastal fleet, are either in the service of the Ministry of War Transport of the United Kingdom or serving as auxiliary craft with the Royal Navy. In compliance with government policy, the usual table of steamships and gross tonnage has been omitted from this report.

The growth of the activities of the Canadian office of the Ministry of War Transport, which was organized under the direction of your Chairman and President, required the services of a full time Representative, and Mr. George D. Huband of the Cunard White Star Line was appointed to this post, effective October 1. For the previous two years Mr. Huband had been associated with the Ministry in the United States and has had wide experience in handling shipping problems. Four of your Company's officers, with some members of their staffs, remain in the service of the Ministry, and the office of the Representative is maintained at Windsor Station in Montreal.

A large number of the officers and employees of your Company continue to be engaged in various capacities with departments and agencies of the Canadian and British Governments in the prosecution of the war effort. In addition, at the close of the year, 3,758 officers and employees had enlisted in the armed forces, and 5,552 members of the steamship organization were in Admiralty or other Government service.

Enthusiastic participation of officers and employees in patriotic activities continued throughout the year. War Savings Certificates are being purchased through monthly deductions from wages and salary cheques, and at the end of the year 31,809 employees were participating in this plan. Your Company's staff has also taken an active part in the Victory Loan campaign of the Dominion Government and has made substantial purchases of Victory Bonds.

The employees' Golden Aircraft Fund, which had been organized in the previous year, presented $50,000 to the Royal Canadian Air Force for the purchase of two fighter planes. The presentation took place on November 26 at a ceremony held in the concourse of Windsor Station in Montreal.

During the year your Company and the Pension Trust Fund subscribed $10,000,000 to the Canadian Victory Loan 1941.

Capital Expenditures

In anticipation of your confirmation, your Directors authorized capital appropriations for the year 1941 amounting to $5,949,762 in addition to those approved at the last annual meeting. Among these was $974,000 for the purchase of one hundred refrigerator cars to be delivered in 1942, and a supplementary appropriation of $820,130 to permit of the purchase of fifteen Pacific type locomotives of a heavier class than contemplated by the original appropriations approved last year. There was also included an amount of $2,137,577, representing the ledger value of rolling stock units of the Montreal and Atlantic, Esquimalt and Nanaimo and Algoma Eastern Railways, which were transferred to your Company's ownership in accordance with the general policy of consolidating the investment in rolling stock as far as possible in the parent company; this transaction involved no cash outlay on the part of your Company.

Your approval will also be requested for capital appropriations of $13,970,890 applicable to the present year. The principal items are:

Replacement and enlargement of structures in permanent form	$ 311,943
Additions and betterments to stations, freight sheds, coaling and watering facilities and engine houses	1,178,630
Ties, tie plates, rail anchors, ballasting and miscellaneous roadway betterments	1,819,769
Replacement of rail in main and branch line tracks with heavier section	772,374
Installation of automatic signals	100,613
Additions and betterments to shop machinery	454,654
Additional terminal and side track accommodation	583,627
New rolling stock	7,766,432
Additions and betterments to rolling stock	423,974
Additions and betterments to hotels	16,586
Additions and betterments to communication facilities	260,951

The appropriations for new rolling stock provide for the construction of 7 Pacific type locomotives for passenger and fast freight service, 20 Mikado type locomotives for heavy freight service, 500 40-ton steel box cars, 250 50-ton steel box cars, 150 70-ton ore cars and 30 cabooses.

Co-operation With the C.N.R.

One additional co-operative project under the provisions of the Canadian National-Canadian Pacific Act was made effective during the year, viz., the abandonment of 5.09 miles of Canadian National line between Red Deer and Red Deer Junction, Alberta. Under this abandonment the Canadian National Railways use certain of the facilities of your Company, with a net economy estimated at $2,560 per annum to be shared equally by the two railways.

The Board of Transport Commissioners issued orders during the year approving applications involving the abandonment of 38.0 miles of line and disallowing abandonment of 205.1 miles, in addition to rescinding authority issued in 1940 to abandon 37.9 miles. At the end of the year, applications remaining before the Board comprised 229.8 miles of track, including 187.1 miles operated by your Company.

Agreements

The following agreements made by your Directors will be submitted for your approval:—

1. Agreement dated August 1, 1940, between the Canadian National Railway Company and your Company respecting the joint use for switching purposes of certain lines of railway of both parties on the north bank of the Lachine Canal at or near Montreal during the period from January 1, 1930 to December 31, 1949, inclusive; the switching service to be performed by the Canadian National and your Company to pay its wheelage proportion of the expense; each Company to pay one-half of the interest charge on Capital Account and its wheelage proportion of the expense of maintenance and operation (other than switching) of that portion of the joint section owned by the other. This agreement cancels and replaces an agreement with The Grand Trunk Railway Company of Canada dated December 1, 1903.

2. Agreement dated August 1, 1940, between the Canadian National Railway Company and your Company respecting the joint use for switching purposes of your Company's branch on the south bank of the Lachine Canal at or near Montreal during the period January 9, 1929 to December 31, 1949, inclusive; the switching service to be performed by your Company; the Canadian National to pay one-half of the interest charge on Capital Account and its wheelage proportion of the expense of maintenance and operation, including switching.

Stock Holdings

The holdings of the Capital Stock of the Company at December 31 were as follows:

	ORDINARY No. of Holders	ORDINARY Percentage of Stock	PREFERENCE No. of Holders	PREFERENCE Percentage of Stock	TOTAL Percentage of Stock
Canada	26,012	17.74	154	.60	12.66
United Kingdom and other British	19,316	53.15	25,798	96.37	65.96
United States	14,520	22.83	64	.33	16.16
Other Countries	3,542	6.28	584	2.70	5.22
	63,390		26,600		

Changes in Directorate

It is with deep regret that your Directors report the loss by death during the year of two members of the Board, both members of the Executive Committee and resident in Montreal, the Rt. Hon. Arthur B. Purvis, P.C., in August and Sir Herbert S. Holt, in September.

Sir Herbert Holt was the senior member of the Board of Directors and Executive Committee of the Company, having served as a Director since 1911 and as a member of the Executive Committee since 1914. His wide experience and keen insight were of inestimable value in the conduct of your Company's affairs. As a financier and industrialist he made a notable contribution to the development of Canada, and his practical support of education and medical and surgical science was a very important factor in preserving the outstanding position of Montreal in these activities.

Mr. Purvis was appointed a director in 1938 and was chosen as a member of the Executive Committee in the following year. In his association with your Company he gave to its affairs the full benefit of his wise counsel and great executive ability. His tragic and lamentable death occurred during a visit to Great Britain in the performance of his important duties as Chairman of the British Supply Council in North America. The value of his special services on behalf of the cause of the Allies as well as the splendid contribution which he made to the industrial and economic life of Canada and the improvement of its social conditions were universally recognized.

Mr. L. J. Belnap and Mr. Morris W. Wilson were chosen to fill the vacancies on the Executive Committee.

Retiring Directors

The undermentioned Directors will retire from office at the approaching annual meeting. They are eligible for re-election.

Mr. L. J. Belnap.
Hon. Eric W. Hamber.
Rt. Hon. Reginald McKenna, P.C.
Mr. Ross H. McMaster.
Mr. Morris W. Wilson.

Your Directors desire to record their appreciation of the loyal and efficient service given by the officers and employees throughout the year.

For the Directors,
E. W. BEATTY,
President.

Montreal, March 16, 1942.

Canadian Pacific Railway Company

General Balance Sheet, December 31, 1941

ASSETS

PROPERTY INVESTMENT:		
Railway, Rolling Stock, Inland Steamships, Hotel, Communication and Miscellaneous Properties	$ 855,795,669	
Improvements on Leased Property	97,722,158	
Ocean and Coastal Steamships	79,249,142	
Stocks, Bonds and other Securities of Leased, Controlled and Jointly Controlled Railway Companies and Wholly Owned Companies	194,112,303	
		$1,226,879,272
OTHER INVESTMENTS:		
Miscellaneous Investments—Cost	$ 27,595,427	
Advances to Controlled and Other Companies	27,093,673	
Mortgages Collectible and Loans and Advances to Settlers	3,370,894	
Deferred Payments on Lands and Townsites	30,605,011	
Unsold Lands and Other Properties	22,990,193	
Insurance Fund	9,006,509	
Steamship Replacement Fund	21,545,701	
		142,207,408
CURRENT ASSETS:		
Material and Supplies	$ 25,125,019	
Agents' and Conductors' Balances	12,143,219	
Miscellaneous Accounts Receivable	12,992,350	
Cash	48,043,813	
		98,304,401
UNADJUSTED DEBITS:		
Insurance Prepaid	$ 203,866	
Unamortized Discount on Bonds	1,949,555	
Other Unadjusted Debits	996,405	
		3,149,826
		$1,470,540,907

NOTE — Particulars of securities held for account of the Company, of obligations of the Company in respect of the principal of securities of other companies owning railway lines operated under lease, and of contingent liabilities of the Company are set out in the accompanying schedules.

LIABILITIES

CAPITAL STOCK:—		
Ordinary Stock	$ 335,000,000	
Preference Stock—4% Non-cumulative	137,256,921	
		$ 472,256,921
PERPETUAL 4% CONSOLIDATED DEBENTURE STOCK	$ 471,171,229	
LESS: Pledged as collateral to bonds, notes and equipment obligations	175,733,000	
		295,438,229
FUNDED DEBT	$ 190,659,625	
LESS: Securities and cash deposited with Trustee of 5% Equipment Trust	13,078,103	
		177,581,522
CURRENT LIABILITIES:		
Pay Rolls	$ 4,587,409	
Audited Vouchers	9,746,148	
Net Traffic Balances	1,211,681	
Miscellaneous Accounts Payable	4,520,423	
Accrued Fixed Charges and Guaranteed Interest	2,335,406	
Unmatured Dividend Declared	2,521,391	
Other Current Liabilities	15,472,520	
		40,394,978
DEFERRED LIABILITIES:		
Dominion Government Unemployment Relief	$ 2,447,223	
Miscellaneous	3,463,187	
		5,910,410
RESERVES AND UNADJUSTED CREDITS:		
Maintenance of Way Renewal Reserve	$ 3,500,000	
Rolling Stock Depreciation Reserve	72,422,242	
Hotel Depreciation Reserve	8,517,877	
Steamship Depreciation Reserve	55,749,033	
Investment Reserves	17,542,428	
Insurance Reserve	9,006,509	
Contingent Reserves	5,184,870	
Unadjusted Credits	3,619,263	
		175,542,222
PREMIUM ON CAPITAL AND DEBENTURE STOCK		68,551,646
LAND SURPLUS		64,479,043
PROFIT AND LOSS BALANCE		170,385,936
		$1,470,540,907

E. A. LESLIE, Comptroller.

To the Shareholders.
Canadian Pacific Railway Company:

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1941, and having compared the above Balance Sheet and related schedules therewith, we certify that in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the Income and Profit & Loss Accounts correctly set forth the result of the year's operations.

The records of the securities owned by the Company at December 31, 1941, have been verified by an examination of those securities in the custody of its Treasurer and by certificates received from such depositaries as are holding securities for safe custody for the Company.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Montreal, March 9, 1942.

Efficiency in Drawing Cheques

Carelessness Often Causes Inconvenience and Delay

Speeding up of business due to the war and a substantial increase in the amount of money being transferred by cheque is causing bankers to study means of making the public more efficient in the use of these instruments.

In normal times, by far the greater proportion of the country's business is done by cheque. These cheques are not money in themselves but they represent bank deposits which are the most important form of money in the country. But since the war started and the national income increased sharply, many people who formerly had no bank account ahd were unaccustomed to drawing cheques are now doing so freely. These people, owing to inexperience, often draw cheques which are a source of much trouble to the banks.

Lost Cheques

One common source of trouble is lost cheques. This in itself is not so serious as the loss of the money represented by the cheque would be. The cheque, before it can be cashed, must be endorsed by someone.

Many banks require that cheques made out payable to cash or bearer be endorsed unless they are certain they are making payment to a responsible party.

Lost cheques when found may be returned to the owner or torn up and thrown away. Sometimes they fall into the hands of the forger and then it makes his task a great deal easier. The cheque itself gives a sample of the signature of the party drawing it who must have a bank account. It gives the number of the account and makes it fairly easy for the crook to write a new cheque payable to himself. Or he may find out what the signature of the payee is like, endorse the cheque and cash it. This is not always as easy as it sounds as the banks are apt to ask a lot of searching questions of any person they do not know. But it works often enough to cause serious embarrassment.

More trouble is caused, however, in the opinion of some bankers, by cheques being improperly made out than by cheques being lost. These cheques often mean trouble to the bank as well as the drawer of the cheque and the payee. Lost time means money and in the end the cost may be substantial.

Causes of Trouble

A survey recently made in the United States showed common causes of trouble in connection with cheques to be:

Faulty signatures, making the cheque often unidentifiable.

Failure to attach the account number.

Illegible writing of the amount of the cheque.

Difference in the amount shown in figures and in writing.

One way of overcoming the first difficulty used in some banks is to provide the depositor with a rubber stamp with which he can mark his cheque thus making it easily identified. If he is willing to pay for cheques printed with the identification of his account so much the better. But either way saves much of the bank's time otherwise used in trying to decipher the name of the drawer of the cheque.

Helps To Identify

The account number on the cheque, like the signature, helps to identify it and the two together enable the bank to ascertain who the drawer of the cheque is. Then the signature can be compared with the specimen kept on file in the office.

Illegible writing of the amount of the cheque is a more difficult thing to correct. If due to carelessness, something can be done without too much trouble. But if it results from lack of education as it often does, the matter is more difficult.

Similar to this is the way in which people often put a different amount in figures from that which they have written in the cheque. This is usually a matter of carelessness and can be corrected by tactfully showing the party responsible the trouble that is causing and the delay that may result through cheques being returned or refused payment.

Another cause of trouble in regard to cheques is delay in cashing them. Usually it is good policy to cash a cheque as soon as possible after it is received. This often saves trouble later on. One rather unusual example of this was the case of a young girl who got a substantial cheque from her uncle. She kept the cheque thinking she would cash it when she wanted the money. In the meantime the uncle died. The niece took sick and wanted some ready money. But the bank would not cash the cheque without authority from the executors of the uncle's estate. This meant delay and hardship for the girl which could have been avoided by cashing the cheque as soon as received.

While the time taken for educating customers causes the banker considerable inconvenience, in the long run it will pay large dividends in time and trouble saved.

Nova Scotia Motorists Use More Gasoline

From Our Own Correspondent

MONTREAL.—Nova Scotians are making good use of their automobiles, judged by the sale of gasoline. According to Highway Minister J. D. McKenzie, January sales of taxable gas in Nova Scotia were 1,986,000 gallons, or 91,355 gallons more than in the same month of 1941.

Gasoline used for military purposes is tax exempt and sales are not included in the government returns.

Bank of Canada Assets Higher

Further increase of about $24 millions in holdings of sterling and U.S. exchange is shown in the statement of the Bank of Canada for the week ended March 25. Bond investments dropped about $5 millions and miscellaneous assets about $4 millions. The result was total assets increased about $15 millions to a total of $1,081 millions. The reduction in investment holdings was in short term government issues entirely.

The increase in assets was offset on the liability side by an increase of $18 millions in deposits. Dominion Government deposits were $31 millions higher and miscellaneous assets were $4 millions up. Deposits of the chartered banks however were down $17 millions. Note circulation of the Bank of Canada showed a small increase.

	Mar. 25 1942	Mar. 18 1942
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ..	503,600,312	502,994,711
Rest fund	5,585,705	5,585,705
Deposit.: Dom.	318,586,472	287,177,986
Banks	230,294,668	247,920,125
Other	13,546,496	9,891,222
Total deposits .	562,427,636	544,989,333
All other liab.	4,803,805	7,681,480
Total liabs.	1,081,417,458	1,066,251,239
Assets		
In Ster. & U.S.	474,251,350	449,776,350
Subsid. coin ...	375,037	394,081
Advances	1,000,000	1,000,000
Investments:		
Dom. gov. sh.	384,344,251	389,438,206
Other D. gvt.	210,779,397	210,948,426
Total invest. ..	595,123,648	600,386,632
Premises	1,773,176	1,774,452
All other assets	8,894,247	12,919,714
Total assets ...	1,081,417,458	1,066,251,229

Insurance Company Reports

Halifax Insurance

Total assets of the Halifax Insurance Co. at the end of 1941 were $6.3 millions, according to the annual report for the year. This compared with $6.1 millions in the year preceding. Cash in hand was lower than at the end of 1940 but holdings of securities were higher as also were balances owing from agents. Real estate held by the company was about the same. Reserve for unearned premiums was higher while surplus at $1.5 millions compared with $1.6 millions at the end of the previous year.

The Halifax is the oldest Canadian insurance company having been established in 1809.

	1941	1940
	$	$
Total assets	6,303,351	6,141,244
Cash	543,527	820,487
Securities	5,004,570	4,722,671
Agents' balances ...	470,267	425,543
Real estate	110,697	111,697
Unearned prem. res. .	1,416,209	1,071,277
Surplus	1,522,482	1,681,787

British Northwestern

Total assets of over $1.3 millions are shown by the British Northwestern Fire Insurance Co. in its annual report for the year ending Dec. 31, 1941. Gains were also shown in surplus and unearned premium reserve.

Bonds and debentures at $972,742 were the greater proportion of the total assets, holdings of these securities being up almost $100,000. Holdings of stocks were the same as at the end of the previous year, cash and agents balances due being higher. Premium income was $178,877 slightly above 1940.

The unearned premium reserve was $135,097, higher than at the end of the previous year while surplus also increased. The British Northwestern is a Canadian company which transacts fire and a number of miscellaneous lines of insurance right across the Dominion.

	1941	1940
	$	$
Total assets	1,333,648	1,260,861
Cash	24,138	22,218
Agents' balances ...	49,050	42,745
Bonds and debs.	972,742	887,889
Stocks	283,048	283,048
Mortgages	12,750	13,000
Interest accrued	11,293	10,876
Unearned prem. res...	135,097	113,872
Surplus	686,048	640,962

Are There Enough Life Agents?

Man Power Order Creates Many New Problems

By D. G. MacLEAN

The new order in council by which Canada mobilizes her man power has raised important problems for the life insurance companies. In the forefront is the question of who will carry on the work of drafted salesmen.

The order is interpreted as prohibiting the hiring of men between 17 and 45 years of age as full time salesmen unless they have first been rejected for armed service. Agency managers will thus have to rely largely on men already in the company service. New men if taken on as agents will have to be outside the military ages or unfit for war service. It is believed that in cases where a manager was negotiating a contract with a man of military age, it will be possible to carry the arrangement through. It will be necessary in such cases to furnish evidence to the authorities of the existence of the previous negotiations.

But the life insurance business must go on. Diverting savings away from purchases and into insurance policies serves the national cause in just about the same way as the Wartime Prices and Trade Board. Accordingly agency officials interviewed are planning to concentrate first to keeping up production from existing sales staffs; second, to recruit suitable sales help from the sources still open.

It is believed the existing sales staffs will be able to keep production at a high level for two reasons:

Restrictions on new men entering the business of selling life insurance give present sales staffs a virtual monopoly over the market.

Present high level of employment and income of the people at large provides an unusual sales opportunity.

Some branch managers, it is understood, are now appraising the ability of salesmen with the object of bringing each one into greater production. Probably the new situation will turn a moderate producer in the past into a good producer. Agency men believe that some men who were unable to sell much life insurance, when competition among salesmen was keener and money not so plentiful, may now be able to show a good volume of business. With possibility of making a new connection restricted, salesmen are expected to stay with their jobs.

Some sales staffs may actually be increased under the new restrictions by:

Greater use of part time men.

Increased use of general insurance brokers in larger cities and towns.

Use of more women agents.

Engagement of more men over 45.

Perhaps some will make part time contracts with men at present in other occupations. There are always a certain number of part-time agents employed, such as teachers, farmers, mechanics, etc. Some part-time agents will probably be able now to devote full time to the job.

Use of general insurance brokers in cities and larger towns is likely to become more general. Thus a man now selling fire and casualty insurance may be engaged to sell life insurance as well. as many of them are already doing. Real estate men are looked to by some as a possibility. Many of these already have licenses to sell insurance though they have not been big producers in the past.

Women as Agents

Many women life insurance agents have already set up notable records. In the coming months, it is expected more and more will enter the business. The trend towards greater utilization of women's services in business since the war began has been marked and will probably become more so. Existing government regulations so far place no bar in the way of employing women as full time life agents.

The new regulations will also make openings for men over 45 who have not been in as great demand as life insurance salesmen as younger men.

One reason companies have been slow in the past to take on new agents over 45 years has been the difficulty an inexperienced man of over 45 has in establishing himself. Younger men usually have not the same responsibilities, are often more adaptable and can establish themselves more readily. It is felt that under the improved selling conditions, older men may be able to adjust themselves more quickly than usual. The fact that life insurance offers a post-war career is expected to appeal to many older men less suited to the fast tempo and possible insecurity of jobs in wartime industry.

Insurance Notes

Canadians spend more money on life insurance than any other nationality in the world, E. C. McDonald, third vice-president in charge of the Canadian head office of the Metropolitan Life Insurance Co. told the March meeting of the Life Underwriters Association of Montreal.

This he declared was a tribute to the confidence Canadians held in insurance, as well as to the insurance underwriters of Canada in selling their product to the public. He also stated that life insurance purchases supported the anti-inflation policy of the Dominion Government.

* * *

Directors of the Royal Automobile Club of Quebec plan to renew their effort to obtain lower insurance rates in that province. They base their appeal on the prospective effect of gasoline rationing and other wartime restrictions on both the number of autos on the highway and on mileage travelled. The club officers feel the reduced operation of cars should bring some relief in premium rates which are reputed to be the highest for all provinces in Canada. Insurance men point to the high accident frequency as the determining factor in establishing rates.

Pay Less in Dividends Montreal Listed Stocks

Montreal Stock and Curb Exchanges report Canadian companies whose stocks are listed thereon paid smaller dividends to their shareholders in March, distribution totalling $26.6 millions as against $28.9 millions in March last year. For the first quarter of the current year cumulative dividends at $48.9 millions were practically unchanged from the same period in 1940.

Quebec to Pass On Succession Data

MONTREAL. — Quebec's Legislative Council has passed legislation allowing the Provincial government to make reciprocal agreements with the Federal and other provincial governments for exchange of succession duties information.

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter 1727)
Head Office: EDINBURGH
Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E.C.2
8 West Smithfield, E.C.1
49 Charing Cross, S.W.1
Burlington Gardens, W.1
64 New Bond Street, W.1
Complete Banking Facilities
Associated Banks:
Williams Deacon's Bank Ltd.
Glyn Mills & Co.

To The Travelling Public:
HOTEL LONDON
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.75; running water and toilet.
Single room with shower, $3.00.
Single room with bath, $3.50.
Single room with tub and shower combination, $4.00.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $5.00.
Double room with tub and shower combination, $5.50.
Twin bedrooms with tub and shower combination, $6.00.
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The Biggest Job Shuffle in Our History

By W. BRUCE MacKINNON

The biggest job shuffle in Canadian national life will result from the government's man power mobilization order of last week.

The numbers of extra men required in the armed forces; the numbers of new men and women required in war industry look modest and easily achieved. They are.

But for Canadians and Canadian business, the impact of the new order comes in "rolling back the squeeze"; in shuffling hundreds and thousands of workers into new and, for wartime, more appropriate occupations.

Nationally, it is a relatively simple, painless programme.

Employers' Role

The National Selective Service Order announced that all single men and childless widowers born from 1912 to 1921 engaged in a list of industries designated as non-essential are now liable to call for home defense.

How does this affect you, as an employer?

In an essential industry this means:

You will be assured an adequate labor supply. You may lose some of your workers in the age group named liable for home defense if their number is called and local Selective Service Boards rule that their work can be done by older men or by women. But you will have the right of appeal.

In a "non-essential" industry:

You will only be able to hire new men outside the work categories and age groups listed.

You will have to find replacement workers among older men, married men and women.

Applying to both essential and non-essential industry are these:

If you are not already conducting a work training course, you will find many of your replacements already trained for you at government schools.

If you have not in the past employed an appreciable percentage of women, you will have to make up your mind promptly about future policy, because extensive and expensive new plant facilities, washrooms, etc., may be required.

Considered as a whole, Canada's man and woman power blueprint shows careful planning in half a dozen government departments.

Weak Spots

But there are two basic weaknesses and one big qualification.

Agricultural workers are wanted on the farm, but little has been done to attract them there.

To keep the agricultural machine running, the new man power blueprint aims to do nothing that would lower the supply of man power on the farms. With three minor exceptions, farmers are exempt from the defense call. Classed as an essential occupation, men and women can go into farms from most other jobs, but can only leave farming for other essential trades after gaining special permission.

Second objection is lack of incentive for married women to take jobs.

Most important single feature of the programme is the plan for training and placing women in industry. First step will be a widely publicized recruiting campaign to attract women workers. Women volunteers will be received in offices established to provide them with information about the jobs available, the best use of the applicants' abilities. They will have travelling expenses advanced where necessary, will have special hostels or other housing arrangements made for them at the war plants. In industry and in government schools they will receive their industrial training.

Tax Barrier Remains

But nowhere in the plan to attract more married women into industry is any adjustment in the income tax laws to increase the financial incentive. As things stand, the wife who earns less than $750 in a year does not have to pay income tax. Joint income of husband and wife is thus subject to total exemption up to $2,249, his married man's exemption of $1,500 plus her tax free earnings of anything up to $750. But if her earnings exceed $750, the exemption is automatically reduced to $1,500 for the two.

Result is that many married women work for short periods of the year, quit just short of earning $750. Others have found that the higher taxes and the greatly increased living expenses when husband and wife are working eat up sometimes more than the wife's income. Instead of bonusing the working couple, the present tax structure encourages women to leave their jobs or to work part time. Both these points may be dealt with separately.

One curious feature is in the definition of a "married man." Only those married before July 15, 1940, are regarded officially as married. Men still officially "single" have been married a year and eight months.

One Very Big "If"

Big "if" in the man power plan is not the machine's design, but the supply of good operators.

At the top, the structure is strong, but in the lower branches, man power mobilization rests on the employment services taken over from the provinces. How well these lower rungs are manned will decide whether National Selective Service is to triumph or fizzle.

Full-time head of the Selective Service is Elliott M. Little, director, whose self-made industrial career is said never to have been marred by failure and associate director is Paul Goulet, aggressive Montreal stockbroker.

Stemming down from the office of Little and Goulet will be over 100 Selective Service Officers, stationed in the offices of the Unemployment Insurance Commission across Canada.

Method of getting workers into war duty is to be "negative compulsion," men and women are to be pulled to their new jobs, not pushed.

"Negative compulsion" achieves two aims which more positive allocation could not. It prevents the employee from feeling that his labor is forced, that the government is enslaving him for the profit of the employer. And it safeguards the employer from the backwash of labor friction and discontent which might spring from such a psychological background. Above all, it helps preserve the goodwill and co-operation without which production cannot reach its full limits.

Canada's Man and Woman Power Where It is Now—Where It's Going

This Year

Canada has 11.4 million inhabitants

Of Every Hundred Canadians

4 are in the armed forces

14 are in agriculture

5 are in war industries

22 are producing civilian goods

4 operate their own business

37 will be unable to work

14 are "unclassified" reserve

We Now Have on War Duty

425,000 in the armed forces.

1,625,000 are agricultural workers.

600,000 are in war industry.

We Have on Civilian Duty

2,500,000 in consumer industries.

400,000 operate their own business, other than farming.

Some Can't Work

3,500,000 who are too young (under 16).
750,000 who are too old (over 65).
50,000 whose health is bad. (Estimate of those between 16 and 65).

Many Might Join War Work

1,550,000 do not fall in the above classes.

—At least 500,000 of whom would be available to replace those who enlist or take war jobs.

Next Year

Canada will have 11.5 million inhabitants

Of Every Hundred Canadians

6 will be under arms

15 will be on farms

6 will be in war plants

21 will be in consumer trades

3 will have own business

37 are unable to work

12 will remain in the "reserve"

We Will Have More On War Duty

650,000 in armed forces.

1,700,000 will be needed in agriculture.

700,000 in war industry.

Fewer on Civilian Work

2,400,000 employed in consumer industries.

350,000 will operate their businesses.

—A decrease of 150,000 Canadians working for the consumer.

A Few More Can't Work

About 40,000 more will join the three categories of young, old and ill, bringing the total to some 4,340,000.

We Will Have Fewer In Reserve

250,000 will leave the reserve.
70,000 will join it by way of natural increase.
1,370,000 may be left in reserve.

How Axis Tries to Poison Opinion Here, and Disunite

Canada-U. S. Relations Get Prominent Place in Flood of Forgeries, Lies and Distortions

By STAFF WRITER

WASHINGTON.—The existence of an active, insidious and at times truculent enemy Fifth Column in the United States is worrying Washington.

Officials are rounding up evidence against traitors who are active in the country. There is certain to be an increasing number of arrests of enemy agents and their Quisling tools.

One of Washington's problems is the difficulty of making the American people believe that it is possible for treasonable activities to be carried on more or less openly in this country under the direction of Berlin, Rome and Tokio.

The people's complacency is increased by reason of the fact that most of the Fifth Columnists have wrapped themselves in Old Glory. They carry on their operations in the guise of super-patriots; some even as religious organizations.

The people's difficulty in comprehending the scope of Fifth Column operations is further enhanced by the fact that there are so many "loyal" American citizens who are preaching exactly the same kind of doctrines that the enemy agents and propagandists are spreading.

Notable, both in enemy propaganda and in the speeches and editorial writings of the people who, wittingly or unwittingly, lend support to Axis Fifth Column activities, is the fact that Canada provides plenty of the subject matter of the anti-United Nations propaganda.

Various recent events in Canada have been zealously played up by Axis radio broadcasts, by Fifth Column publications, pamphlets and speakers, in whispering campaigns, and in the "isolationist" press, which is—whether it knows it or not—the strongest ally the Axis agents have in the United States.

These Canadian events are:

1. Supposed Canadian opposition to the Alaska Highway. The story has been spread, and widely published, although it is entirely untrue, that Canada tried to block the defense highway between the U. S. and Alaska.

2. Supposed Canadian opposition to American airline routes to Alaska. The story has been spread—and the isolationist press has given it a big play—that Canada has refused to permit American commercial planes to fly across Canadian territory to Alaska. This, too, was untrue.

3. The plebiscite. This has been widely exploited as evidence that Canada is seeking to dodge conscription; that it will not go as far as the United States in the war.

4. Mr. Hepburn's Welland speech. His remarks have been played up as an attack upon the American navy and as an accusation of cowardice.

Mr. Hepburn's speech was repeated, with variations, for seven successive nights on the German, Italian and Japanese radios, and there have been spasmodic references since.

A still-recurring theme in Axis propaganda is that Canada demands cash-on-the-barrel-head from Britain; while the United States gives freely.

Everything that Canada does is distorted both in the Fifth Column organs and in the isolationist press. When Prime Minister King announced last week that Canada would raise two more divisions and that decisions as to where Canadian troops were to be sent would be made in consultation with British authorities, the Fifth Column gang and the isolationist press virtually ignored that portion of his remarks. Rather, they put emphasis upon the fact that Canada had "refused" to send troops to Australia. As the United States is pouring men and equipment into Australia this was, of course, intended to make it appear that the British Empire was letting Uncle Sam do all the fighting.

Axis propaganda activities in the United States follow the pattern laid down in German programmes of psychological warfare in every country where it has operated. The patter is familiar to those who have made any study at all of Nazi techniques in fomenting disunity in countries with which Germany is at war.

The objectives are clear:

1. To break down the solidarity of the American people; to set them quarreling among themselves; and destroy confidence in their leaders.

2. To break down the solidarity of the United Nations; to arouse distrust in the minds of the American people about their allies—particularly Britain but to some extent Canada also.

It will be noted that there is a basic similarity between these two objectives. Both fit into Hitler's grand strategy of "Divide and Conquer."

The propaganda "line"—the suggestions which Fifth Column agents are supposed to follow—comes in chiefly by radio from Germany, Italy and Japan.

It has long been recognized by students of propaganda that the continuous bombardment of North America by radio broadcasts from the Axis capitals is intended, only to a trifling degree, to influence American and Canadian opinion directly. The fact is that only a handful of people "listen in" on these broadcasts over their short-wave radios. What Berlin, Rome and Tokio seek to do by these broadcasts is to give leadership and instructions to their agents here as to the line that should be followed.

Wherever the propaganda appears it is intended to make Americans weary of the war, to build up a defeatist complex and, alternatively, to make them complacent about the war.

That Quislings and Fifth Column organizations slavishly follow the "line" is to be expected. But the most amazing and disturbing feature of the whole propaganda campaign is the manner in which the isolationist press itself—wrapped in its red, white and blue colors—follows precisely the same line.

That the various propaganda lines that are being followed are self-contradictory is apparently not disturbing to the Axis and its agents. Herr Goebbels' technique has always been to shower upon the world a barrage of lies, each one suitable to the audience and to the moment, without regard for the fact that one day earlier an entirely different story might have been told. Axis propaganda has something for everyone.

For instance, current attacks upon Britain contain some astonishing contradictions:

On the one hand, Britain is pictured as a weak and decadent nation. It is "through"; its prestige is gone. The United States is foolish to put any trust in so unhelpful an ally.

On the other hand, and at the same time, Britain is presented as a powerful and grasping nation with great Imperialistic ambitions. It is all too willing to let American soldiers fight for the glory and strength of Britain.

On the one hand, the British army is depicted as being under the leadership of second-rate generals, "Col. Blimp's" who are very stupid, bumbling old men. The British government is said to be composed of washed-out wearers of the "old school tie."

On the other hand, the British are depicted as sly, selfish, cunning; as too smart for the Americans, whom they seek to use as monkey's paws to pull British chestnuts out of the fire.

Other current propaganda lines are that Britain is misusing Lease-Lend; is maintaining its own trade at the expense of American trade. One of the Axis-inspired groups in the U.S.A. is whispering the story that Britain gets food free from the United States and sells it to its own people, making a handsome profit.

Incidentally, the same suggestion was made the other day in the Canadian House of Commons.

That the United Kingdom is overdefended; that it is safe from invasion; that it does not need more troops or supplies is an idea that is getting big play at the moment in the Fifth Column pamphlets and newspapers. Again, this same idea is being assiduously preached by the isolationist press and radio commentators.

No contradiction in propaganda is too absurd for use. The Empire is breaking up; the United States has no choice but to take Australia, Canada, India, etc., under her wing. So says the Axis radio; so says the American Fifth Column.

But while they are saying this they are also warning the American people that American

(Continued on page 18)

Berlin, Rome and Tokio have two Main Objectives:
To divide the United Nations — To destroy the U. S. will to fight.
Their Attacking Spearhead is made up of:
Fifth Columnist writers, speakers and agents
Bona fide Isolationist and Anglophobe elements
Anti-Russian and Pro-German groups.
Their Supply Line is short-wave radio
—Carrying instructions to agents, propaganda to dupes.
Their weapons are lies and distortions
—That Britain is not playing ball — That Canada is not co-operating — That Russia is the Real Enemy.

Fire Insurance Groups Have Bigger Year

Premium Income Expands and Loss Ratio Lower

Main feature of the fire insurance experience in Canada in 1941 was the expansion of premiums written by the Dominion and Provincial licensed companies.

The total written premiums compiled from figures supplied by G. D. Finlayson, superintendent of insurance, Ottawa, and Hartley D. McNairn, superintendent of insurance for Ontario, were $52.9 millions, an increase of more than 17% over the previous year. Premiums earned at $46 millions were slightly above the total for the previous year and the loss ratio of 37.40% was fractionally better than that for 1941.

Extension of Contract Term

Reason for the expansion in written premiums was the legislation passed by a number of provinces in the previous year permitting stock companies to write mercantile risks on an unlimited term instead of one year as formerly. In a great many cases mercantile fire insurance contracts which had been written previously on an annual term were written in 1941 for three years, the premium charged being two and a half times the ordinary annual rate. This meant a large increase in written premiums which may be followed by a decline in 1942 as there will not be the same volume of business coming up for renewal.

Other factors affecting the volume of written premiums were the higher level prices of buildings and materials and the large amount of building during the year. While many of the new buildings were taken over by the government and hence not insured, they were covered by fire insurance while in the hands of contractors.

Normal Gain in Premiums Earned

Premiums earned were not affected by the longer term at which fire insurance contracts were written and hence showed a normal increase.

The lower fire loss ratio reflected the care being taken by industry and private citizens to prevent fires.

Among the different groups Royal again led in volume of written premiums with a total of $2.1 millions. If the figures for the Liverpool & London & Globe are also included, the total for the combined Royal-Liverpool group is over $3.4 millions.

Wawanesa Mutual again led with the highest total of any single company while Lloyds had the biggest total written premiums for any single organization, writing total fire insurance premiums of $1.8 millions.

Among the board companies, Commercial Union and London & Lancashire came second and third. Shaw & Begg continued in first place among the non-tariffs.

Separation of companies into tariff and non-tariff groups is to some extent arbitrary as some companies are tariff in one section of the country and non-tariff in others.

FIRE INSURANCE EXPERIENCE IN CANADA, 1941
ANALYZED BY GROUPS AND INDIVIDUAL COMPANIES

Board Companies

(A)—Group Experience:	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	Ratio of losses incurred to prems. earned 1941 %	1940 %	1939 %	Ratio of losses incur. inc. adjust. exps. as % of prems. earn. 1938 %	1937 %
1—Royal Group:								
Royal Insurance	1,367,005	1,169,907	474,482	40.56	28.90	31.69	47.12	38.04
Queen Ins. of America	431,544	381,234	145,724	38.22	30.59	31.03	41.12	34.53
Hudson Bay	146,306	127,422	48,990	38.45	30.63	31.12	41.46	34.59
Newark Fire	100,586	87,603	33,681	38.45	30.63	31.12	41.18	34.59
Pioneer Insurance	82,297	71,675	27,557	38.45	30.63	31.12	41.18	34.59
Total	2,127,738	1,837,841	730,434	39.74	29.53	31.47	44.94	36.75
2—Commercial Union Group:								
Commercial Union Assur.	676,390	599,211	210,091	35.06	33.32	38.00	34.14	36.09
Union of London	269,252	249,780	81,177	32.50	30.46	34.89	33.42	32.79
Palatine Insurance	170,054	157,755	51,264	32.49	30.47	34.89	33.43	32.79
Canada Acc. & Fire	155,883	144,609	46,995	32.49	30.46	34.89	33.42	32.79
Ocean Accid & Guar.	155,883	144,609	46,985	32.49	30.47	34.89	26.77	43.24
Commercial Union Fire	141,171	13,146	4,276	32.53	30.44	34.90	33.41	32.80
British General	70,856	65,731	21,358	32.49	30.47	34.89	33.42	32.79
North West Fire	56,685	52,709	17,090	32.42	30.46	29.27	33.42	32.79
American Central	56,685	52,585	17,090	32.50	30.46	34.89	33.42	32.79
British & European	28,342	26,293	8,543	32.49	30.47	34.89	33.42	32.79
California	28,342	26,293	8,543	32.49	30.47	34.89	33.42	32.79
Total	1,809,543	1,532,721	513,412	33.50	31.57	35.83	32.95	33.81
3—London & Lancashire Group:								
Lond. & Lancashire Ins.	969,407	804,528	287,992	35.80	33.53	41.43	39.80	30.23
Law, Union & Rock	262,598	233,458	84,818	36.33	20.22	32.10	35.97	31.85
Merchants*	123,517	118,794	47,067	39.62	43.12	39.24	35.76	28.13
Quebec Fire	107,513	99,454	46,758	47.01	30.56	35.33	27.69	34.72
Mercantile Fire	113,580	98,413	38,538	39.16	34.70	30.88	21.50	25.11
Hand-in-Hand*	56,376	64,386	2,988	4.64	21.48	57.02	72.16	43.97
Queen City*	50,374	48,837	18,997	38.90	29.76	38.64	31.30	43.21
Lond. & Lanc. G. & A.	28,110	25,395	5,548	21.85	12.88	33.56	13.04	24.40
Total	1,711,475	1,493,265	532,706	35.67	31.23	38.82	36.94	31.05
*Provincial licensed companies, official figures.								
4—Phoenix of London Group:								
Phoenix of London	897,545	769,137	311,501	40.50	36.54	36.10	44.27	33.77
Acadia	182,748	164,459	61,505	37.40	34.72	35.77	40.22	30.36
London Guar. & Acc.	121,915	109,676	41,004	37.39	34.72	35.78	40.20	30.36
North Empire Fire	121,832	109,640	41,004	37.39	34.72	35.77	40.20	30.36
Union Marine Ins. Co.	121,832	109,639	41,004	37.40	34.72	35.77	40.28	30.47
Imperial Assur.	121,832	109,639	41,004	37.39	34.72	35.77	40.20	30.36
Columbia	60,956	54,839	20,502	37.39	34.72	35.77	40.21	30.36
United Firemen's	61,094	54,908	20,502	37.34	34.72	35.77	40.20	30.36
Total	1,689,754	1,481,935	578,026	39.00	35.64	35.94	42.23	32.09
5—Home Group:*								
City of New York								
Franklin								
Home								
Homestead	1,577,475	977,660	516,177	52.80	41.75	38.12	40.92	38.25
National Liberty								
New Brunswick								
Baltimore American								
*All business in Canada reinsured with Home Insurance Co.								
6—Liverpool & London & Globe Group:								
Liverpool & Lond. & Gl.	881,776	746,446	272,010	36.44	35.34	30.98	48.15	33.29
Liverpool-Manitoba	187,080	162,933	62,643	38.45	30.63	31.12	41.18	34.59
Globe Indemnity	116,925	101,834	39,152	38.45	30.63	31.12	41.18	34.59
Central Insurance	93,540	81,467	31,321	38.45	30.63	31.12	41.18	34.59
National-Liverpool	93,540	81,467	31,321	38.45	30.63	31.12	41.18	34.59
Total	1,372,861	1,174,147	436,447	37.17	33.59	31.03	45.54	33.77
7—North American Group:*								
Insurance Co. of N. A.	807,130	578,997	333,797	57.65	29.24	26.92	66.15	34.22
Alliance Ins.	313,210	221,263	109,090	49.30	53.98	41.60	27.37	50.61
Philadelphia F. & Mar.	63,706	47,616	12,771	26.82	92.63	36.78	19.74	13.04
National Security	56,635	43,191	20,762	48.07	30.60	21.14	36.63	28.39
Total	1,240,681	891,067	476,420	53.47	39.12	31.42	51.17	36.73
*This group of companies withdrew from the board group in Feb., 1942.								
8—Sun Group:								
Sun Insurance	657,110	561,445	213,558	38.04	43.54	37.88	38.71	38.15
Imperial Insurance	132,944	117,480	39,510	33.63	32.80	37.31	35.73	44.87
Patriotic Assurance	112,249	100,616	49,906	49.60	22.27	28.71	56.23	54.99
Planet Assurance	102,145	86,157	38,078	44.20	39.70	39.18	44.56	29.51
London & County	86,799	78,750	27,139	34.46	34.21	40.82	39.82	28.34
Total	1,091,247	944,448	368,191	38.98	28.81	37.20	40.34	39.16
9—British America/Western Group:								
Western Assurance	463,368	406,460	152,475	37.51	36.82	34.54	33.16	29.99
British America	315,834	286,351	106,366	37.15	36.67	34.31	33.15	29.97
North River Ins.	108,156	76,027	19,363	25.47	49.30	25.37	36.58	39.14
British Empire Assur.	86,177	77,501	29,260	37.75	36.58	34.54	33.12	30.00
British Canadian	58,685	55,039	20,610	37.45	37.33	34.77	33.11	30.00
Imperial Guar. & Accid	54,592	42,425	15,720	37.05	37.47	34.93	32.99	29.88
Total	1,086,812	943,803	343,794	36.43	37.72	33.93	33.44	30.75
10—Norwich Union Group:								
Norwich Union	790,514	683,748	252,258	36.89	35.77	37.72	41.31	34.80
Canada Security	134,939	123,970	38,751	31.26	30.98	43.62	35.18	30.33
Eagle Fire	69,154	57,308	25,272	44.10	43.49	46.48	27.84	16.47
Total	984,607	865,026	316,281	36.56	35.54	39.13	39.75	33.64
11—Prudential Group:								
Prudential of Eng.	828,982	689,868	333,984	48.41	42.17	42.64	41.75	48.33
Bee	117,499	121,557	51,535	42.40	48.86	45.87	53.18	37.97
Total	946,481	811,425	385,519	47.51	43.45	43.35	44.35	39.99
12—America Fore Group:								
Continental Insurance	348,737	292,245	122,241	41.83	29.74	46.75	32.87	44.56
Fidelity-Phenix of N.Y.	316,824	282,102	106,929	37.90	27.78	25.10	36.67	47.00
Niagara Fire	124,474	102,680	44,196	43.04	54.87	34.22	41.22	26.04
Maryland Insurance	67,286	61,894	20,851	33.69	27.31	19.52	44.21	25.69
First American	39,701	33,661	18,321	54.43	55.89	12.54	28.78	28.78
Total	897,022	772,582	312,538	40.45	33.41	33.23	36.17	40.17
13—Royal Exchange Group:								
Royal Exchange	535,305	474,628	203,895	42.96	29.11	20.53	57.99	30.14
Car & General	131,821	120,528	44,089	36.58	28.68	26.85	37.70	31.56
National Provincial	65,911	60,264	22,044	36.58	28.68	26.78	37.93	24.39
State Assurance	65,911	60,264	22,044	36.58	28.68	24.93	37.83	26.54
Motor Union	65,911	60,264	22,044	36.58	28.68	27.44	40.84	26.45
Total	864,859	775,948	314,116	40.48	28.94	22.96	50.04	29.09
14—Phoenix of Hartford Group:								
Phoenix of Hartford	307,508	245,223	94,597	38.58	41.63	40.07	28.40	36.28
Connecticut Fire	185,565	147,985	57,084	38.57	41.32	40.07	28.40	36.28
Providence Washington	126,721	106,153	35,167	33.13	26.99	41.24	39.82	36.32
Westchester Fire	97,982	85,924	35,247	41.02	27.69	44.69	38.88	38.79
Reliance of Canada	73,225	62,894	19,666	31.27	30.56	21.54	29.48	33.90
Equitable Fire & Marine	37,113	30,152	11,417	37.86	41.32	40.07	28.40	36.28
Total	828,114	678,331	253,178	37.32	36.34	38.82	31.63	34.90
15—North British & Mercantile Group:								
North British	644,514	555,275	219,328	39.50	35.89	36.81	33.25	31.78
Occidental Fire	103,867	93,581	32,932	35.19	29.35	30.50	39.03	32.93
Railway Passengers	69,796	56,500	17,568	31.09	53.09	23.59	36.73	24.80
Total	818,177	705,356	269,828	38.25	35.84	33.78	34.31	31.58
16—Guardian Group:								
Guardian Assurance	685,155	497,675	264,001	53.05	48.51	42.11	37.10	30.23
Guardian Ins. of Canada	87,213	78,587	36,875	46.92	42.55	34.86	32.53	27.64
Total	772,368	576,262	300,876	52.21	47.82	31.25	36.57	29.92
17—Employers' Liability Group:								
Employers' Liab.	578,413	506,144	214,519	42.38	31.78	40.21	41.64	48.33
Merchants' Marine	159,081	136,018	50,793	37.34	36.49	32.60	47.89	37.97
Total	737,494	642,162	265,312	41.32	32.78	38.54	43.06	39.99
18—Eagle Star Group:								
Eagle, Star	290,452	254,916	69,130	27.13	26.40	46.18	65.13	27.47
British Crown Assur.	267,548	237,497	78,219	32.93	46.66	30.68	62.16	21.05
British Northwestern	133,419	109,611	32,462	29.62	41.25	23.78	35.78	32.62
Security National	35,364	32,159	15,871	49.35	57.06	28.63	62.59	37.49
Total	726,783	634,183	195,682	30.86	38.32	35.42	58.34	26.52
19—Hartford Group:								
Hartford Fire	622,897	511,016	161,639	31.63	35.78	31.88	28.62	32.55
London-Canada	82,118	93,678	31,835	38.04	31.28	39.23	30.89	37.35
Citizens of N.J.	17,406	16,949	4,572	26.98	45.20	15.28	36.69	28.57
Total	722,421	611,643	198,046	32.38	35.35	32.54	29.24	33.10
20—Northern Group:								
Northern Assurance	368,102	327,503	127,095	38.81	36.87	36.98	38.38	39.38
Scottish Metropolitan	102,316	92,591	28,699	30.99	27.79	31.44	28.33	31.00
Royal Scottish	75,728	63,771	26,964	42.28	21.19	25.47	37.57	42.22
London & Scottish	57,353	52,847	17,385	32.90	25.53	16.82	34.15	38.65
World Marine & Gen.	55,602	46,934	14,440	30.77	63.35	31.77	32.17	25.38
Total	659,101	583,646	214,583	36.76	34.66	32.41	35.79	37.32
21—Union of Canton Group:								
Union of Canton	295,875	256,110	76,972	30.05	36.66	36.04	47.55	40.33
British Traders	172,594	150,336	44,900	29.87	36.68	36.03	47.55	40.34
South British	81,822	62,359	19,677	31.55	39.23	19.83	108.47	....
British Oak	56,897	51,485	19,126	37.15	68.20	60.83	....	....
China Fire	24,656	20,689	6,414	31.00	36.66	36.04	47.55	40.35
Beaver Fire	22,667	21,463	5,389	25.11	18.95	23.29	26.11	31.99
Total	654,511	562,442	172,478	30.67	39.99	38.51	47.51	39.95
22—Great American Group:								
Great American	556,633	457,600	178,875	39.10	39.90	37.81	40.06	39.93
American Alliance	55,530	46,379	17,117	36.91	37.63	38.16	39.92	39.92
Total	612,163	503,979	195,992	38.89	39.69	37.84	40.01	39.93
23—Aetna Fire Group:								
Aetna Insurance	521,096	423,104	189,364	44.76	44.54	37.58	44.11	30.51
World Fire & Marine	67,407	55,041	9,139	16.60	37.84	42.07	32.54	32.10
Total	588,503	478,145	198,503	41.52	43.77	38.11	42.72	30.73
24—London Assurance Group:								
London Assurance	409,995	356,615	131,461	36.86	30.57	42.81	37.76	27.49
Guildhall Ins.	100,136	84,388	33,544	39.75	34.83	40.91	53.33	38.44
British Law	67,972	65,174	22,883	35.11	32.74	37.40	49.14	23.65
Total	578,103	506,177	187,888	37.12	31.55	43.37	41.60	28.59
25—Atlas Group:								
Atlas Assurance	482,840	409,463	165,026	40.30	30.68	35.25	41.29	28.19
Essex & Suffolk	56,303	52,583	19,236	36.58	26.42	33.05	31.15	28.27
Total	539,143	462,046	184,262	39.88	30.18	34.99	40.08	28.20
26—Springfield Group:								
Springfield F. & M.	448,357	321,693	166,024	51.61	52.25	35.01	52.44	43.91
Michigan Fire	40,197	28,593	15,826	55.35	48.31	36.86	52.31	55.08
New England	10,049	6,968	3,957	56.79	....	36.69	52.45	....
Sentinel Fire	10,049	7,013	3,956	56.41	48.32	36.69	52.30	55.08
Total	508,652	364,267	189,763	52.09	51.83	35.25	....	54.04
27—Century Group:								
Century Insurance	189,912	147,921	58,251	39.38	54.11	42.59	24.51	32.58
Anglo-Scottish	128,186	108,991	32,963	30.24	30.89	26.44	28.19	25.89
Pacific Coast Fire	86,644	78,842	26,844	34.05	36.66	29.44	28.45	28.71
Southern Insurance	34,708	31,125	9,685	31.12	32.22	25.18	25.71	26.91
Total	439,450	366,879	127,743	34.82	41.66	33.50	26.33	29.36
28—Pearl Group:								
Pearl Assurance	367,019	320,343	153,373	47.88	25.35	39.75	40.25	40.52
Eureka-Security F. & M.	35,194	28,771	12,965	45.06	16.57	16.13	29.63	43.69
Total	402,213	349,114	166,338	47.65	24.12	37.50	52.43	40.69
29—Firemen's Fund Group:								
Firemen's Fund	257,169	188,393	122,600	65.08	56.03	37.66	39.87	23.50
Home Fire & Marine	87,981	65,359	19,046	29.14	21.85	28.12	48.77	23.82
Total	345,150	253,752	141,646	55.82	48.08	35.14	42.38	28.30
30—Alliance Group:								
Alliance Assurance	336,766	259,886	142,158	54.70	32.59	30.16	64.44	44.48
Westminster Fire Office*	......	......	......	....	....	....	....	....
Total	336,766	259,886	142,158	54.70	32.59	30.16	64.44	44.48
*This company reinsures its business with Alliance Insurance.								
31—Yorkshire Group:								
Yorkshire Insurance	276,929	206,175	115,434	55.99	34.70	22.83	35.86	33.48
London & Provincial	49,645	39,398	10,728	27.23	19.01	18.74	22.34	23.74
Total	326,574	245,573	126,162	51.37	32.23	22.16	33.68	31.96
32—Security, American & Fire Assoc. Group:								
Fire Assoc. of Phil.	136,958	103,823	33,794	32.55	45.29	18.71	84.76	24.27
American Insurance	97,027	73,709	26,543	36.01	35.80	34.88	32.01	23.94
Security of New Haven	82,165	66,240	24,752	37.37	33.88	29.03	35.50	27.35
Total	316,150	243,772	85,089	34.91	39.37	26.56	55.73	24.96
33—St. Paul Group:								
St. Paul Fire & Marine	216,541	177,590	62,752	35.34	53.96	45.01	29.58	36.80
Mercury Insurance	92,028	76,540	23,282	30.42	27.98	39.01	41.85	32.28
Total	308,569	254,130	86,034	33.85	46.12	43.10	33.56	33.81
34—Scottish Union Group:								
Scottish Union	285,587	262,511	100,688	38.36	38.51	41.16	47.53	36.14
Central Union	18,450	13,251	4,347	32.81	20.17	35.78	35.18	21.51
Total	304,037	275,762	105,035	38.09	37.67	40.96	47.06	35.62
35—Caledonian Group:								
Caledonian	251,889	233,538	98,041	41.98	24.92	32.04	29.90	43.09
Caledonian-American	44,374	43,174	13,399	31.03	33.68	34.73	29.36	38.90
Total	296,263	276,712	111,400	40.27	26.29	32.48	....	42.42
36—R. de Grande Pre Group:								
New Hampshire Fire	200,408	155,383	84,693	54.51	57.29	41.07	45.34	42.09
Granite State Fire	51,924	45,111	20,013	44.36	88.99	78.97	56.63	44.56
Total	252,332	200,494	104,706	52.22	64.62	49.83	47.77	42.59
37—Dale & Company Group:								
National Union	132,942	127,672	35,857	28.08	25.74	45.71	44.42	49.87
Hanover Fire	116,504	99,387	33,402	33.61	36.69	71.60	67.11	43.94
Total	249,446	227,059	69,259	30.50	30.52	57.27	53.93	47.50
38—Muir Beddal (Canada) Ltd. Group:								
Legal & General	188,490	168,770	78,224	46.35	39.07	52.07	68.18	39.02
Urbaine	47,588	53,145	24,468	46.04	51.91	65.50	70.54	42.63
Total	236,078	221,915	102,692	46.28	42.85	56.39	68.94	40.13
39—Canadian Surety Group:								
Canadian Surety Co.	102,806	72,271	27,260	37.72	28.36	43.08	26.05	33.38
Camden Fire	95,840	77,002	14,921	19.38	24.53	29.96	39.64	29.55
Total	198,646	149,273	42,181	28.26	26.24	36.09	33.43	31.26
40—W. L. Esson Group:								
Sea Insurance	130,402	108,842	42,325	38.89	40.62	29.35	66.28	42.91
Scottish Ins.	57,570	40,402	16,240	40.20	31.26	....	....	....
Total	187,972	149,244	58,565	39.24	....	....	....	....
41—General Fire of Paris Group:								
General Fire of Paris	......	......	......	....	45.57	42.66	41.14	39.55
Phenix Fire of Paris	103,107	112,081	56,339	50.27	44.41	43.29	43.02	35.67
Total	103,107	112,081	56,339	50.27	45.02	42.95	42.19	37.65
42—Individual Companies:								
Travelers Fire	471,446	389,426	122,100	31.25	45.73	43.31	65.67	177.30
Nat. Fire of Hartford	294,348	237,316	103,479	43.60	40.26	35.75	33.90	35.19
United States Fire	232,238	192,822	78,120	39.48	36.76	38.12	42.17	41.46
General Security	146,936	126,057	56,936	45.17	....	....	....	....
Glens Falls	135,342	100,992	26,436	26.18	25.89	32.15	42.03	48.37
New York Underwriters	108,871	89,814	24,624	27.42	35.19	39.01	25.83	32.20
Agricultural Co. of N. Y.	102,892	74,602	19,452	26.07	41.90	22.82	26.74	30.14
Svea	27,298	23,753	9,538	40.15	69.23	47.28	69.55	38.40
Boston Ins.	33,995	31,653	7,105	22.45	22.72	20.24	23.68	33.07
Transcontinental	10,103	8,298	4,103	49.45	15.29	31.45	26.97	23.40
Total Individual Bd. Cos.	1,563,469	1,274,733	451,893	35.29	39.81	38.89	39.26	35.72
Total Board Cos.	32,012,310	26,670,886	10,625,737	39.84	36.33	38.89	39.26	35.72

Mutual Companies

(A)—Group Experience:	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	Ratio of losses incurred to prems. earned 1941 %	1940 %	1939 %	Ratio of losses incur. inc. adjust. exps. as % of prems. earn. 1938 %	1937 %
43—Ontario Cash Mutuals Group:								
Gore District Mut.	510,807	448,997	212,487	47.32	40.26	37.78	40.24	31.68
Economical Mutual	475,261	429,147	219,916	51.24	37.20	58.59	42.51	30.16
Waterloo Mutual*	366,008	352,262	200,215	56.84	39.22	48.00	44.27	38.64
Perth Mutual*	230,098	212,802	105,985	49.80	32.41	38.84	31.76	34.79
Total	1,582,174	1,443,208	738,603	51.18	37.94	46.74	41.98	31.42
*Provincial licensed companies, official figures.								
44—Wawanesa Mutual Group:								
Wawanesa Mutual	1,434,582	1,352,594	511,162	37.79	39.54	34.93	39.06	37.04
Wapiti	......	......	......	....	....	13.39	39.90	53.01
Total	1,434,582	1,352,594	511,162	37.79	39.54	32.35	39.08	37.71
45—Hardware Mutual Group:								
Minnesota Implement	333,537	348,601	82,200	23.58	26.63	33.65	31.62	32.57
Hardware Dealers Mut.	318,359	333,358	76,238	22.87	28.59	34.00	31.27	32.53
Hardware Mutual	.....	....	......	....	....	29.53	31.00	33.33
Total	651,896	681,959	158,438	23.23	27.52	32.67	31.29	33.14
(B)—46—Individual Companies:								
Northwestern Mutual	771,787	742,020	193,411	26.07	27.96	30.85	30.38	24.72
Equitable Fire (Canada)*	652,821	628,254	439,518	69.96	.52	63.95	....	....
Commerce Mutual	514,548	485,886	233,129	47.98	41.66	41.56	46.02	48.05
Can. Mercantile	444,900	403,966	218,669	54.13	41.97	42.63	51.24	....
Stanstead & Sherbrooke	397,625	401,823	170,715	42.49	.46	54.90	34.97	49.97
Portage la Prairie	326,970	328,696	150,015	45.64	51.86	48.17	41.49	....
Millowners Mut. of Iowa	253,064	260,878	86,808	33.28	24.88	45.67	24.32	29.45
United Mutual	165,050	144,957	55,160	38.05	50.35	33.92	57.40	31.61
Lumber Mutl. of Boston	86,436	71,822	55,686	77.53	48.90	22.67	45.63	28.14
Central Manufact. Mutl.	85,152	68,180	42,487	62.32	65.68	19.09	53.34	28.08
Pennsylvania Lumber	65,461	56,471	42,644	75.51	37.53	29.54	50.23	36.51
Indiana Lumbermen's	64,386	56,655	35,737	63.08	42.40	26.05	55.98	32.24
Kings Mutual	55,007	49,594	17,957	36.21	41.01	62.06	80.84	55.14
Ohio Farmers	54,493	41,960	8,056	19.20	8.30	36.09	19.08	22.12
Lumber Mut. of Mansf.	53,461	39,663	37,246	93.91	40.19	29.38	55.47	30.96
Retail Lumbermen's	36,203	35,849	6,882	19.20	16.56	....	12.00	106.65
Pictou County Mut.	10,794	9,577	1,163	12.14	62.34	49.06	28.13	79.17
Antigonish Farm Mut.	4,900	4,060	3,235	69.42	154.71	127.22	95.80	141.24
Cumberland Farm Mut.	3,653	3,669	596	16.24	149.49	95.00	52.21	100.28
Pilot Reinsurance	......	......	......	....	....	....	14.60	20.27
Total Individ. Mut. Cos.	4,046,711	3,834,580	1,799,114	46.92	41.21	43.02	39.63	35.47
Total Mutal Cos	7,715,363	7,312,341	3,207,317	43.86	38.69	40.44	38.63	35.47
*Provincial licensed company, official figures.								
(C)—47—New England Mutuals:								
Manufacturers Mutual	415,000	256,205	148,024	57.85	16.78	28.77	38.57	53.77
Firemen's Mutual	137,834	197,973	34,809	17.58	11.38	9.91	21.88	115.81
Blackstone Mutual	112,953	104,394	45,979	44.04	15.49	40.45	35.34	54.32
Boston Manufacturers	89,631	69,268	25,367	36.62	15.87	302.19	22.10	33.11
Arkwright Mutual	72,600	61,366	27,077	44.12	17.04	....	21.27	42.48
What Cheer Mutual	51,449	44,429	11,469	25.81	14.24	49.20	25.12	39.05
Philadelphia Mfrs.	28,852	22,392	8,806	39.33	14.22	36.31	16.77	16.48
Worcester Mfrs.	23,087	24,904	1,228	4.93	14.81	....	22.80	50.58
Fall River	23,087	23,722	6,534	27.54	16.60	....	24.68	60.63
Protection Mutual	17,470	13,412	4,339	32.35	9.14	81.14	14.79	48.70
Rubber Manufacturers	15,320	16,487	4,885	29.63	13.94	843.59	16.83	46.62
Cotton & Woollen Mfrs.	15,320	16,487	4,885	29.63	13.94	845.23	16.83	46.62
Mill Own. M. of Chicago	11,647	8,942	2,893	32.35	9.14	81.12	18.88	52.11

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Baloise	59	..
Beaver	21	9
Bee	11	..
Baltimore Amer.	5	..
Blackstone Mut.	47	..
Boston Man.	47	..
Boston	42	29
British-America	9	1
Brit. & European	2	..
British Can.	9	1
Brit. Crown	18	..
Brit. Empire	9	1
British Gen.	2	2
British Law	24	16
British Oak	21	9
Brit. Nor'western	18	..
British Traders	21	9
Buffalo	59	..
Caledonian	35	29
Caledonian Amer.	35	..
California	2	..
Camden	39	19
Canada Accident	2	2
Canners Exch.	62	..
Can. Security	10	6
Candn. Fire	53	36
Canadn. General	52	35
Candn. Indemnity	53	36
Candn. Surety	39	19
Car & General	13	17
Casualty of Can.	56	32
Central Ins.	6	..
Century	27	24
Candn. Mer.	46	44
Can. Recip. Under.	..	..
Cent. Manuf.	46	44
Central Union	34	..
Citizens of N. J.	19	..
City of N. Y.	5	..
China	21	..
Cotton & Wool Mfrs.	47	..
Columbia	4	..
Clare Mut.	59	..
Commerce Ins.	59	..
Commerce Mutual	46	44
Comm. Casualty	..	44
Comm. Union Fire	2	..
Comm. Union Assur.	2	2
Connecticut Fire	14	..
Consolidated	48	30
Continental Cas.	..	44
Continental Ins.	12	..
Cornhill	54	38
Cumber. Farm Mut.	46	..
Dominion Fire	49	37
D. of Can. Gen.	56	32
Drapers & Gen.	59	44
Eagle Fire	10	6
Eagle Star	18	..
Economical Mut.	43	44
Emp. Liability	17	5
Employers' Reins.	..	44
Equitable F. & M.	14	..
Equitable Fire	46	..
Ensign	49	..
Enterprise Mut.	47	..
Eureka Sec.	28	20
Excess	51	..
Essex & Suffolk	25	..
Fall River	47	..
Federal Fire	48	..
Federal Ins.	59	40
Firemen's Mut.	47	..
Fidelity of Can.	..	15
Fidelity-Phenix	12	29
Fire Assoc. of Phil.	32	28
Firemen's Fund	29	..
Fire Ins. of Can.	51	..
Firemen's Ins.	49	..
First American	12	..
Fireproof Sprink	61	..
Fonciere T. & A.	58	44
Franklin	5	4
Gen. Acc. F. & L.	55	31
Gen. Accid. of Can.	55	31
Gen. Cas. of Amer.	..	41
Gen. Reins.	..	43
Gen. Exchange	..	43
Gen. Ins. of Amer.	..	41
Gen. of Amer.	59	41
Gen. Fire, Paris	41	29
Gen. Cas. of Paris	..	29
Gen. Security	42	29
Girard	49	..
Glens Falls	42	29
Globe Indem.	6	14
Gore Dist.	43	44
Grain Ins.	59	..
Globe & Rep.	58	..
Grain Ins. & G.	59	..
Granite State	36	..
Great Amer. Ind.	..	23
Great Amer. Ins.	22	23
Guardian Assur.	16	7
Guardian Ins.	16	7
Guildhall	24	16
Hardware Mut.	45	..
Hartford Acc.	..	12
Hartford Fire	19	12
Halifax	59	44
Hand in Hand	3	11
Hanover	37	..
Hardware Deal.	45	42
Helvetia	59	..
Hope Mut.	47	..
Home Ins.	5	4
Homestead	5	4
Hudson Bay	1	..
Home Fire	29	..
Home Indemnity	..	4
Imperial Assur.	4	..
Imperial Guar.	9	1
Imperial Ins.	8	21
Indemnity Ins.	..	27
Indust. Mut.	47	..
Indiana Lumber	46	44
Individual Under.	61	..
Ins. Co. of N. A.	7	27
International	59	..
Inter. Ins. Exch.	..	..
Jersey	48	..
Kings Mutual	46	..
Law. Union & Rock	3	11
Legal & Gen.	38	29
Liberty Mutual	..	44
Liverpool & L. & G.	6	14
Liverpool-Man.	6	14
Lloyd's	64	44
London Can.	19	12
London & County	8	21
Lon. & Lan. G. & A.	3	11
London & Lanc. Ins.	3	11
London & Prov.	31	22
London & Scottish	20	13
London Assur.	24	16
London Guar.	4	3
Lumber M. of Bost'n	46	..
Lumber Mu. Cas.	..	33
Lumber Mut. Mans.	46	..
Lumber Un. All.	60	..
Lumbermen's Ins.	48	..
Manufacturers Mut.	47	..
Marine	..	40
Maryland Cas.	..	44
Merchants F. Assc.	48	..
Maryland Ins.	12	..
Mechanics Mut.	47	..
Merchants Mut.	47	..
Mercantile Fire	3	..
Merchants Fire Ins.	3	11
Merch. & Man.	50	..
Merch. Marine	17	5
Mercury	33	25
Metrop. Cas.	..	37
Metrop. Fire	57	..
Metrop. Int. Ins.	61	..
Mich. Fire	26	26
Millers National	48	..
Millowners Mut.	46	..
Milwaukee	59	44
Minn. Imp.	45	42
Miss. Rowville	59	..
Motor Union	13	17
Millown. Mut. Chi.	47	..
Nat. Liverpool	6	..
Nat. of Paris	51	..
Nat. Ben. Franklin	49	37
National Retailers	59	33
Nat. Fire of Hart.	42	..
Nat. Liberty	5	4
Nat. Prov.	13	..
National Sec.	7	..
Nat. Un. Fire	37	29
Newark	1	18
New Brunswick	5	..
New Hampshire	36	44
New England	26	29
Niagara Fire	12	..
Norwich Un.	10	6
Northeastern	57	..
North Star	59	43
North River	9	..
Northern Assur.	20	13
North British	15	10
North Empire	4	..
N. Y. Fire	50	..
N. Y. Recip.	61	..
N. Y. Under.	42	29
N. W. Cas.	..	39
N. W. Fire	52	..
N. W. Mutual	46	39
N. W. Nat.	49	37
Occidental	15	10
Ocean Acc.	2	2
Ohio Farmers	46	44
Pac. Coast Fire	27	24
Pac. Fire	48	..
Palatine	2	2
Paper Mill Mut.	47	..
Patriotic	8	21
Pearl	28	20
Perth Mut.	43	..
Penn. Lumber	46	..
Phila. Mfrs.	47	..
Phila. F. & Mar.	7	..
Phoenix of Paris	41	29
Phoenix of Hart.	14	..
Phoenix of Lond.	4	3
Pictou County Mut.	46	..
Pilot	59	44
Pioneer	1	..
Planet Assur.	8	..
Pool	59	..
Port La Prairie	46	..
Protection Mut.	47	..
Prov. Washington	14	29
Provident	..	..
Prov. of Paris	59	..
Provincial	54	38
Prudential Assur.	11	29
Que. Fire	3	..
Queen	1	18
Queen City	3	..
Queensland	59	44
Rwy. Pass.	15	10
Retail Lumber	46	..
Reliance	14	..
Rhode Island	..	..
Rhode Island Mut.	47	..
Rubber Mfrs.	47	..
Royal Exchange	13	17
Royal Ins.	1	18
Royal Scottish	20	..
Scot.-Canadian	55	..
Scot.-Metrop.	20	13
Scottish Ins.	40	..
Scottish Union	34	29
Security N. H.	32	28
Security Nat.	18	..
Sentinel	26	..
Sea	40	..
South Brit.	21	..
Southern	27	24
Springfield	26	26
Stanstead & Sh.	46	..
State Assur.	13	..
St. Paul Fire	33	25
St. Paul Mercury	33	25
State Mutual	47	44
Sun	8	21
Sussex Fire	58	..
Svea	42	29
Switz. Gen.	59	..
Tokio Marine	59	..
Tor. Gen.	52	35
Trans-Contl.	42	..
Travelers Fire	42	8
Travelers Ind.	..	8
Union Assur.	2	2
Underwriters Ex.	60	..
Union of Canton	21	9
Un. of Paris	59	44
Un. Marine	4	3
Un. British	..	17
Un. Firemen's	4	..
United Mut.	46	44
United Pac. Ins.	..	44
Urbaine	38	..
U. S. Fid. & Guar.	..	15
U. S. Fire	42	..
U. S. Guar.	..	40
Victory	59	..
Warner Recip.	62	..
Waterloo Mut.	43	..
Wawanesa	44	34
Wapiti	44	34
Wellington	48	30
Western	9	1
Westchester Fire	14	..
Westminster Fire	30	..
What Cheer Mut.	47	..
Worcester Mfrs.	47	..
World Marine	20	13
World F. & Mar.	23	..
Yorkshire	31	22
Zurich	..	44

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Railway Passengers Assurance Company — The Occidental Fire Insurance Company

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Founded in Scotland 1836 — Established in Canada 1867

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Seventy-five years ago, Northern showed its faith in Canada's future by establishing an office in the newly formed Dominion.

That faith has grown through the years and today is firmer than ever. For today, under the strains and stresses of world-wide war, Canada is demonstrating as never before the soundness of its financial, industrial and commercial growth.

Northern has grown with Canada, sharing its good times and bad. On this 75th anniversary of its establishment here, the Company looks forward with confidence, surely based in experience, to sharing that larger future which will be Canada's when present trials have been triumphantly surmounted.

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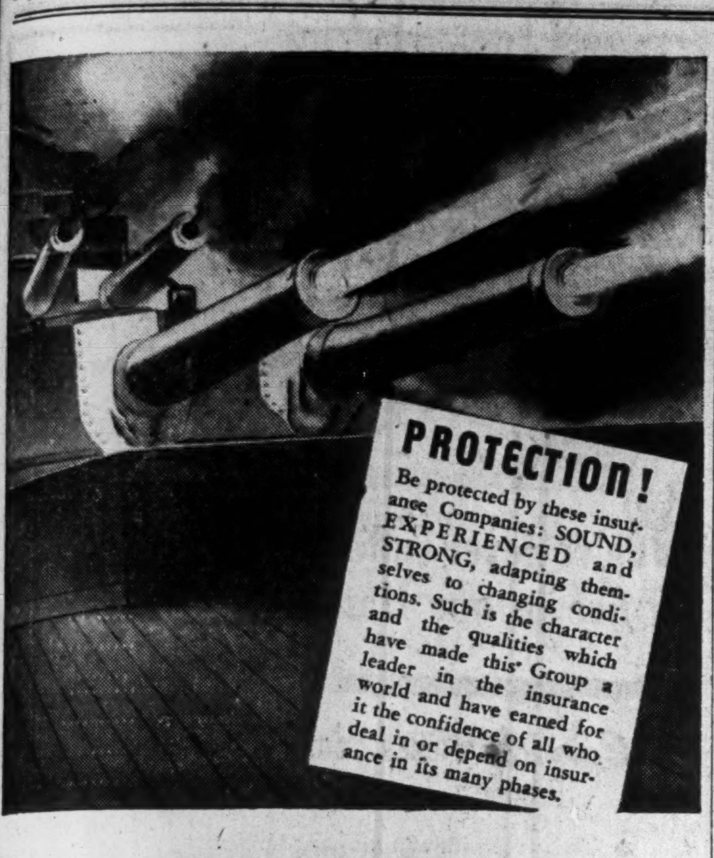
Head Office for Canada: Montreal
ALEX. HURRY, Manager

Winnipeg: R. O. Taylor, Manager — Vancouver: W. G. Gerrard, Manager — Toronto: F. O. Lucas, Superintendent



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TORONTO WINNIPEG VANCOUVER

NEW HAMPSHIRE FIRE INSURANCE CO.
GRANITE STATE FIRE INSURANCE CO.
Canadian Department
276 St. James St. West, Montreal

DEPENDABILITY

From its organization in 1896 to December 31, 1941, the U. S. F. & G. paid out in claims and adjustment expenses a total of

$471,210,042.14

Its surplus as regards policyholders is

$19,294,391.12

It has on deposit with the Dominion Government for the protection of its Canadian policyholders Dominion of Canada bonds in the amount of

$1,000,000.00

These figures attest the dependable and enduring protection afforded by this organization throughout Forty-six years of public service.

United States Fidelity and Guaranty Company
King and Victoria Streets, Toronto
SIDNEY W. BAND — Manager

THE GUARDIAN Insurance Company of Canada
HEAD OFFICE: MONTREAL
Incorporated 1911

BALANCE SHEET—December 31st, 1941

ASSETS

Bonds—		
Book Value		$2,469,905.20
Market Value	$2,566,732.10	
Cash in Bank and Office		219,586.59
Due from Reinsurance Companies		14,148.05
Premiums Due Less Outstanding prior to October 1st, 1941		133,794.08
Accrued Interest		22,253.92
Other Admitted Assets		417.32
		$2,860,105.16

LIABILITIES

Provision for Unpaid Claims	$ 266,166.54
Reserve of Unearned Premiums	511,236.61
Reserve of Unlicensed Reinsurance	119,060.60
Special Guarantee Reserve	7,864.88
Due to Other Companies	28,533.10
Other Liabilities	80,107.39
Capital Paid in	375,000.00*
General Reserve Fund	900,000.00*
Surplus	572,136.24*
	$2,860,105.16

Surplus as regards Policy-holders		$1,847,136.24*
Total Net Income 1941—Premiums written	$1,066,506.96	$1,165,790.95
Interest	99,283.99	

DIRECTORS

D. FORBES ANGUS, *President.* ZEPHIRIN HEBERT, *Vice-President.* ARCHIE F. BAILLIE, LT.-COL. W. H. CLARK-KENNEDY, V.C., C.M.G., D.S.O., COL. LIONEL H. HANBURY, C.M.G., W. A. OSBORNE, J. V. OWEN, R. W. STEELE, LIONEL O. P. WALSH.
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All Policies Guaranteed by Guardian Assurance Co. of London, England.

ESTABLISHED 1821

Car Insurance More Active

Business of Canadian Companies Up 11%, and Loss Ratio is Lower

Net premiums written by the automobile insurance companies operating under Dominion and provincial license in Canada showed an increase of $2 millions or more than 11% in 1941 over 1940. Losses were about 7% higher with the result that the loss ratio for the year was 49.84% compared with 51.74% in 1940.

Although there were more motor vehicles in operation across the Dominion as a whole, it is believed the higher value of automobiles and the increased cost of repairs was a big factor in keeping losses from increasing at the same rate. Motorists were more careful of damaging their own vehicles and thereby protected others on the road.

Total premiums of the Dominion licensed companies showed a slightly greater relative increase over last year than the Dominion and provincial licensed companies combined. Total premiums for the Dominion companies were $23.4 millions, an increase of almost 12%.

The loss ratio for all Dominion licensed companies was 49%, slightly lower than that for all companies.

Division of companies into tariff and non-tariff groups is subject to the proviso that some companies are tariff in some provinces and non-tariff in others.

AUTOMOBILE INSURANCE EXPERIENCE, 1941
ANALYZED BY GROUPS AND INDIVIDUAL COMPANIES
(Official Dominion and Ontario Government Figures—Ranked in Order of Net Premiums Written)

Board Companies

A—GROUP EXPERIENCE:	Net Written Premiums $	Net Incurred Losses $	1941 %	1940 %	1939 %	1938 %	1937 %
			Ratio of Losses Incurred to Premiums Written				
1—British-America-Western Group:							
Western Assur.	558,147	275,567	49.37	50.72	47.38	53.37	59.11
British America	361,035	182,512	50.55	49.41	49.28	52.56	53.30
British Empire	138,811	68,338	49.23	52.95	45.68	53.58	57.40
Imperial Guar. & Acc.	133,537	70,750	52.98	50.21	40.05	52.11	58.30
British Canadian Ins.	103,505	48,211	46.58	53.49	41.18	53.07	57.65
Total	1,295,035	645,378	49.83	50.68	46.47	53.03	57.03
2—Commercial Union Group:							
Ocean Accident	421,582	234,056	55.52	60.45	47.21	37.15	45.89
Canada Acc. & Fire	215,348	119,627	55.55	60.49	46.90	63.10	64.28
Commer. Union Assur.	130,762	77,631	59.37	56.36	43.66	43.89	28.47
British General Ins.	74,904	41,609	55.55	60.49	46.37	44.80	66.09
Union Assurance	56,178	31,209	55.55	60.48	48.98	76.12	85.55
Palatine Insurance	46,815	26,005	55.55	62.91	48.22	41.35	31.80
Total	945,589	530,137	56.06	60.02	46.73	47.25	51.52
3—Phoenix of London Group:							
London Guar. & A.	333,172	162,775	48.86	53.53	47.83	42.25	60.70
Phoenix Assurance	325,617	184,850	56.77	49.74	40.67	51.84	62.52
Union Mar. & General	138,830	54,355	39.15	70.66	32.74	45.20	53.49
Total	797,619	401,980	50.40	54.59	41.98	47.07	60.83
4—Home Group:							
Franklin Fire, Home Indemnity, Home Insurance, Homestead, National Liberty	787,847	428,633	54.41	52.92	55.84	66.78	43.64
5—Employers' Liability Group:							
Employers' Liability	534,084	287,654	53.86	42.90	43.07	58.24	53.64
Merchants' Marine	66,626	30,054	45.11	49.81	20.15	75.01	78.09
Total	600,710	317,708	52 89	43.66	40.89	59.70	55.80
6—Norwich Union Group							
Norwich Union	448,706	207,802	46.31	48.04	45.87	41.61	54.23
Canada Security	136,340	55,645	40.81	49.23	55.76	53.42	55.22
Eagle Fire	15,362	8,207	53.42	46.22	30.26	79.29	43.48
Total	600,408	271,654	45.24	48.29	48.01	45.33	54.31
7—Guardian Group:							
Guardian Ins. Co.	552,637	293,040	53.03	45.48	51.91	52.98	48.49
Guardian Assurance	979	......	....	....	....	....	....
Total	553,616	293,040	53.03	45.58	51.91	52.98	48.49
8—Travelers' Group:							
Travelers Indemnity	336,630	133,742	39.73	64.32	46.06	52.87	66.06
Travelers Fire	40,409	6,954	17.21	38.37	26.37	31.71	22.33
Total	377,039	140,696	37.32	61.44	43.98	50.51	60.56
9—Union of Canton Group:							
Union of Canton	223,897	103,626	46.28	48.36	44.49	42.29	51.26
British Traders	120,560	55,798	46.28	48.36	44.72	43.77	46.00
British Oak	22,248	9,360	42.07	28.88	59.55	53.93	73.28
Beaver Fire	273	—6	....	113.03	38.92	66.91	23.91
Total	366,978	168,778	45.99	47.67	46.98	27.66	49.37
10—North British Group:							
North British	256,914	94,776	36.89	49.60	45.63	69.95	43.87
Railway Passengers	81,140	56,586	69.74	35.09	33.43	21.70	61.24
Occidental Fire	23,253	3,820	16.43	30.10	70.56	54.89	45.43
Total	361,307	155,182	42.95	45.75	44.38	56.42	48.51
11—London & Lancashire Group:							
Lond. & Lanc. G. & A.	198,027	112,264	56.69	46.25	39.49	38.39	40.56
Lond. & Lanc. Ins.	67,872	37,032	54.56	26.12	39.82	55.36	18.30
Law, Union & Rock	46,914	25,602	54.57	56.84	46.64	58.93	41.78
Merchant's Fire Ins.*	31,734	12,447	39.22	33.39	49.70	100.98	57.44
Hand-in-Hand*	8,255	2,104	25.47	62.78	64.82	45.67	12.80
Total	352,802	189,449	53.69	44.17	42.13	49.57	39.13
*Provincial licensed company, official figures.							
12—Hartford Group:							
Hartford Acc. & Ind.	242,570	122,665	50.57	49.20	54.28	41.15	59.88
London-Canada Ins.	74,075	56,691	76.53	39.58	63.66	42.31	46.47
Hartford Fire	30,561	14,594	47.75	26.47	43.64	52.53	40.33
Total	347,206	193,950	55.86	44.83	56.12	42.58	53.67
13—Northern Group:							
Northern Assurance	197,383	107,736	54.58	50.03	46.82	62.50	52.90
Scottish Metropolitan	74,281	32,643	43.95	43.25	44.85	72.87	57.78
World Marine & General	54,944	30,992	56.41	48.06	53.55	97.85	56.93
London & Scottish Assce.	15,177	2,837	18.69	108.11	53.14	15.22	12.89
Total	341,785	174,208	50.97	51.29	47.79	66.56	52.21
14—Liverpool & London & Globe Group:							
Globe Indemnity of Canada	193,454	81,098	41.92	33.66	29.04	54.80	59.37
Liverpool & L. & Globe	105,261	43,348	41.18	34.49	29.27	51.50	47.05
Liverpool-Manitoba	20,985	8,666	41.30	34.51	30.05	53.20	57.32
Total	319,700	133,112	41.64	33.99	29.19	53.58	58.46
15—U. S. Fidelity Group:							
U. S. Fidelity & Guar.	194,106	117,681	60.63	41.70	54.50	64.05	21.87
Fidelity of Canada	123,948	60,662	48.94	49.10	60.14	65.30	66.44
Total	318,054	178,343	56.07	44.36	56.52	64.56	37.16
16—London Assurance Group:							
Guildhall Insurance	209,534	102,325	48.83	61.04	49.18	58.36	62.64
London Assurance	72,172	57,235	79.30	65.30	45.93	54.79	65.86
British Law	28,559	13,813	48.37	39.56	70.04	83.54	51.73
Total	310,265	173,373	55.88	60.08	50.89	59.94	60.68
17—Royal Exchange Group:							
Motor Union	159,517	84,244	52.81	41.21	29.34	54.20	69.52
Royal Exchange	105,999	46,235	43.62	41.87	52.12	66.27	58.40
Car & General	42,201	13,573	32.16	27.01	45.73	38.96	50.94
United British	......	—190	....	....	....	....	....
Total	307,717	143,862	46.75	39.44	39.57	56.00	67.38
18—Royal Group:							
Royal Insurance	255,228	105,352	41.28	32.62	28.76	55.82	56.62
Queen Insurance	20,857	7,835	37.57	39.29	35.89	42.40	44.63
Newark Fire	17,284	6,515	37.69	39.46	36.05	42.40	45.07
Total	293,369	119,702	40.80	33.47	29.69	54.05	55.07
19—Canadian Surety Group:							
Canadian Surety	212,409	132,356	62.31	61.93	50.76	46.34	52.44
Camden Fire	11,927	3,896	32.67	56.67	37.51	80.08	18.83
Total	224,336	136,252	60.74	61.67	50.04	48.09	49.89
20—Pearl Group:							
Pearl Assurance	213,236	112,631	52.82	55.46	57.44	58.62	51.73
Eureka-Security Fire & Mar.	—248	125	....	23.46	23.46	....	....
Total	212,988	112,756	52.94	54.90	54.90	....	....
21—Sun Group:							
Sun Insurance	100,139	42,747	42.69	27.34	53.94	44.76	45.28
Imperial Insurance	46,422	13,065	28.14	40.84	51.70	29.70	75.23
London & County	32,169	15,578	48.43	45.84	115.94	43.72	58.68
Patriotic	31,069	10,825	34.84	39.21	12.13	64.56	111.16
Total	209,799	82,215	39.19	34.76	57.60	90.00	59.25
22—Yorkshire Group:							
Yorkshire Ins.	159,558	59,843	37.51	44.70	30.64	42.06	56.55
London & Prov.	44,636	21,952	49.18	36.55	36.92	14.66	35.37
Total	204,194	81,795	40.06	42.95	31.99	36.06	47.24
23—Great American Group:							
Great American Ind.	87,709	57,109	65.11	44.58	57.67	35.39	59.05
Great American Ins.	38,181	15,055	39.43	49.40	40.42	42.15	47.13
American Alliance	4,242	1,673	39.44	49.41	40.43	42.65	47.12
County Fire	......	......	....	....	....	....	47.17
Total	130,132	73,837	56.74	46.03	52.06	37.90	54.87
24—Century Group:							
Century Insurance	39,583	18,968	47.92	20.34	35.31	47.27	99.42
Anglo-Scottish Ins.	38,712	18,975	49.02	36.68	29.62	47.24	91.40
Pacific Coast Fire	37,841	18,975	50.14	37.43	30.23	48.20	92.33
Southern Insurance	12,904	6,325	49.02	36.69	29.62	47.23	91.40
Total	129,040	63,243	49.01	31.91	31.54	47.53	94.10
25—St. Paul Group:							
St. Paul Fire & Marine	58,843	27,081	46.02	50.50	56.09	283.97	51.40
St. Paul Mercury	37,563	31,793	84.64	66.46	25.89	74.80	145.63
Mercury Insurance	11,856	6,191	52.22	54.65	37.49	24.48	98.33
Total	108,262	65,065	60.10	56.92	41.91	187.89	58.78
26—Springfield Group:							
Springfield Fire & Marine	84,042	52,859	62.90	47.73	22.47	....	....
Michigan Fire	9,605	6,041	62.89	47.25	22.51	....	....
Total	93,647	58,900	62.90	47.74	22.48	....	....
27—North American Group:							
Indemnity Insur.	52,723	7,665	14.54	57.62	44.44	57.81	80.34
Insurance Co. of N. A.	18,313	4,639	25.33	27.93	27.76	15.28	32.96
Alliance Ins.	13,279	4,613	34.74	41.91	40.52	21.67	70.49
Total	84,315	16,917	20.06	49.28	40.36	....	67.02
28—Security, American & Fire Assoc. Group:							
Security Ins.	10,815	3,730	34.49	37.23	23.04	55.47	18.51
Fire Assoc. of Phil.	4,497	1,743	38.76	54.67	19.20	1.57	....
American Ins.	2,110	1,090	51.66	16.18	64.65	75.55	16.89
Total	17,422	6,563	37.67	42.13	28.28	60.18	16.97
29—Individual Companies:							
Alliance Assurance	......	—1,500	....	....	488.81	67.32	72.47
Glens Falls	595,664	234,904	39.44	44.41	44.09	64.23	59.19
Fidelity Phenix	480,179	250,434	52.15	55.04	59.69	40.01	....
Prudential Assurance	260,785	121,068	46.42	73.98	51.43	54.70	68.45
Atlas	160,589	76,055	47.36	53.86	51.52	48.92	56.21
Gen. Casualty of Paris	......	......	....	68.69	45.27	38.37	40.83
Scottish Union	138,557	88,339	63.76	51.77	54.51	62.55	69.40
Caledonian	44,501	6,086	13.68	55.73	15.15	64.34	....
Gen. Fire of Paris	......	......	....	33.07	....	....	....
Phenix of Paris	3,692	842	22.81	18.65	....	....	....
Aetna Ins.	2,288	1,823	79.68	5.36	16.89	....	....
General Security of Can.	160,189	73,666	45.99	....	....	....	....
North American Acc.	......	—200	....	....	....	....	....
Providence Washington	27,580	19,403	70.35	73.08	55.08	34.01	57.18
Legal & General	20,954	3,949	18.85	43.20	62.89	146.47	96.72
National Union Fire	13,703	[illegible]	42.72	38.36	47.36	26.67	48.25
Agricultural	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44.39
Svea	1,754	554	31.05	7.67	....	....	....
Boston	250	—497	....	109.46	51.14	59.27	49.36
N. Y. Underwriters	1,170	541	46.24	36.49	8.55	75.92	134.50
New England	2,402	1,510	62.86	47.73	22.58	....	....
Total Individual Companies	1,921,596	884,565					
Total Board Companies	12,612,782	6,241,293	49.48				

Non-Board Companies

A—GROUP EXPERIENCE:	Net Premiums Written $	Net Losses Incurred $	1941 %	1940 %	1939 %	1938 %	1937 %
30—Shaw & Begg Group:							
American Auto. Ins.	616,121	307,976	49.99	61.10	56.76	56.76	64.45
Wellington Fire	226,618	90,444	39.91	42.92	43.46	43.46	52.49
Consolidated	187,940	69,509	36.98	49.73	46.90	46.90	61.99
American Auto. Fire	185,221	61,610	33.26	33.68	40.98	40.98	36.68
Total	1,215,900	529,539	43.55	52.05	39.35	39.35	57.66
31—General Accident Group:							
General Acc. of Canada	718,912	351,333	48.87	45.35	40.22	51.46	55.44
General Acc. Fire & Life	346,560	207,763	59.95	47.22	46.22	50.25	66.48
Total	1,065,472	559,096	52.47	49.25	42.32	51.04	58.60
32—Dominion of Canada Group:							
Dom. of Canada General	636,612	268,520	42.18	43.14	40.07	43.85	40.94
Casualty Co. of Canada	185,664	86,791	46.75	40.05	36.71	57.94	48.19
Total	822,276	355,311	43.21	42.47	39.26	46.70	42.48
33—Lumbermen's Group:							
Lumbermen's Mutual Cas	568,892	244,686	43.01	40.35	37.20	46.42	51.64
National Retailers	79,794	23,739	29.75	15.51	19.01	19.96	0.17
Total	648,686	268,425	41.38	37.36	35.17	43.76	51.02
34—Wawanesa Mutual Group:							
Wawanesa	594,569	283,300	47.65	47.88	35.66	67.18	57.73
Wapiti	......	......	....	....	....	....	54.50
Total	594,569	283,300	47.65	47.88	35.12	71.54	57.50
35—Canadian General Group:							
Canadian General	315,652	152,572	48.34	40.53	40.94	56.95	62.00
Toronto General	264,496	127,588	48.24	55.39	43.75	47.14	49.86
Total	580,148	280,160	48.29	46.60	42.15	52.42	56.59
36—Canadian Fire Group:							
Canadian Indemnity	290,869	114,642	39.41	43.71	34.62	48.62	53.88
Canadian Fire	209,019	93,267	44.62	40.51	37.05	49.66	54.48
Total	499,888	207,909	41.59	42.41	35.67	49.06	54.13
37—Massie & Renwick Group:							
Metropolitan Cas.	299,249	168,672	56.37	48.20	46.03	53.10	66.47
Natl. Ben Franklin	88,313	38,502	43.60	35.39	42.36	31.37	37.42
Dominion Fire	39,736	15,379	38.70	39.07	40.33	37.33	54.94
Northwestern National	8,383	2,143	25.56	46.33	52.49	46.90	46.68
Total	435,681	224,696	51.57	44.89	45.02	48.53	62.19
38—Willis Faber Group:							
Provincial Ins.	163,198	62,267	38.15	59.15	48.58	44.36	60.91
Cornhill	136,445	51,950	38.07	49.56	48.28	56.94	35.27
Total	299,643	114,217	38.12	54.78	48.47	50.29	58.38
39—Northwestern Mutual Group:							
Northwestern Mutual	126,668	45,473	35.90	38.84	33.44	30.54	36.84
Northwest Casualty	99,526	39,763	39.95	41.67	52.18	37.73	77.81
Total	226,194	85,236	37.68	40.10	41.52	33.70	77.81
40—Chubb & Son Group:							
U. S. Guarantee	105,271	59,086	56.13	56.45	51.02	47.66	52.28
Federal Ins.	91,625	59,546	64.99	48.09	49.19	69.49	57.02
Marine	17,961	15,068	83.89	41.43	9.80	23.31	59.74
Total	214,857	133,700	62.23	52.15	47.31	44.74	55.28
41—General of America Group:							
Gen. Cas. of America	125,773	55,355	44.01	33.64	25.62	45.07	48.47
Gen. Ins. of America	77,814	32,298	41.51	31.31	29.02	39.48	48.61
Total	203,587	87,653	43.05	32.79	26.92	43.21	48.52
42—Hardware Mutual Group:							
Hardware Dealers' Mutual	6,904	1,109	16.06	20.59	30.26	105.81	28.63
Minn. Implement Mutual	6,904	1,114	16.14	20.59	30.25	105.81	28.63
Hardware Mutual	......	......	....	....	41.56	105.81	28.68
Total	13,808	2,223	16.10	20.59	32.14	105.81	28.68
43—General Reinsurance Group:							
General Reinsurance	50,260	20,000	39.79	80.67	39.17	78.43	....
North Star	105	.....	....	1,736.11	....	....	262.88
Total	50,365	20,000	39.79	....	....	....	....
44—Individual Companies:							
Lloyd's*	3,726,083	2,131,252	57.19	64.90	....	....	....
General Exchange	1,253,598	762,638	60.84	57.57	61.50	64.76	53.36
Halifax	727,524	347,290	47.73	65.66	67.92	73.92	81.07
Pilot*	585,047	221,492	37.85	49.32	39.68	46.71	57.64
Zurich	518,946	279,890	53.93	53.94	58.78	38.69	53.60
Economical Mutual	298,231	114,214	38.30	51.90	47.15	46.04	49.72
Commerce Mutual	155,416	68,854	44.30	55.71	42.44	44.93	48.05
Can. Mercantile	155,414	68,790	44.26	61.16	52.81	27.85	....
Maryland Casualty	140,612	102,432	72.85	71.28	37.10	81.74	75.56
L'Union of Paris	116,398	69,297	59.53	42.55	51.13	110.53	62.00
Employers' Reinsurance	107,135	20,780	19.40	21.35	47.68	200.67	49.71
Gore District	95,837	51,527	53.77	37.54	33.51	....	....
Milwaukee Mechanics	92,366	44,848	48.55	33.12	24.86	....	....
Comm'l. Cas.	84,383	58,521	69.35	28.22	37.58	....	....
Bankers & Traders	64,205	19,427	30.26	38.19	70.20	21.57	59.20
State Farm Mutual	52,386	14,725	28.11	53.51	....	922.68	....
Arex Indem.	27,973	12,675	45.31	32.26	54.32	....	....
United Pacific Insur.	26,597	6,329	23.80	71.59	58.79	66.42	25.40
Drapers & General	20,704	13,108	63.31	87.83	....	....	....
New Hampshire	17,324	20,024	115.59	72.20	81.86	72.36	30.67
Affiliated Und.	17,000	13,200	77.65	45.18	76.78	51.84	....
Liberty Mutual	15,599	10,812	69.31	25.57	16.32	50.36	....
Queensland	11,848	1,569	13.24	45.79	9.81	33.01	215.52
Ohio Farmers	11,068	2,311	20.88	39.42	42.21	31.36	23.04
Continental Casualty	5,112	10,725	209.80	103.73	46.76	271.52	281.01
United Mutual	3,177	5,392	169.72	14.89	2.06	....	....
Central Manufac. Mutual	3,047	2,195	72.04	56.45	43.23	33.27	25.55
Indiana Lumbermen's	9	......	....	....	11.25	....	....
Foncier Transport & Acc.	......	—2,025	....	....	....	....	230.71
Amreican Home Fire	......	—5	....	....	....	....	....
Total Individual Co's.	7,747,992	4,250,795	54.86	....	....	....	....
*Provincial licensed company, official figures.							
Total Non-Board Co's.	15,204,213	7,623,752	50.14	....	....	....	....
Grand Total	27,816,890	13,865,045	49.84	51.74	49.09	54.40	57.19
Total, 1940	24,984,504	12,925,973	....	....	....	....	....

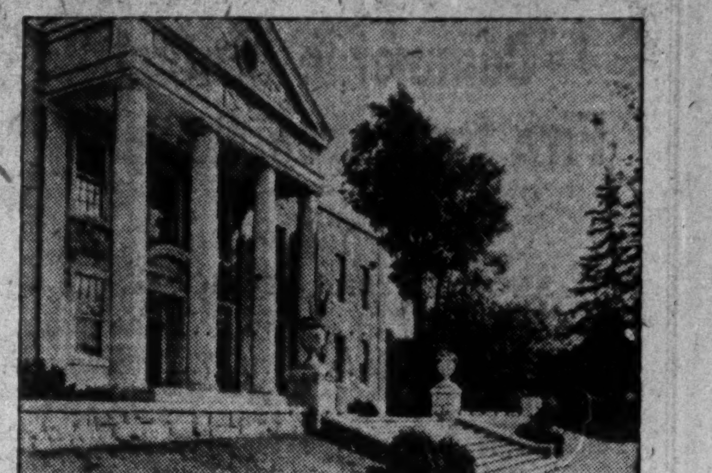
Aircraft

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Cos.:			
British America	3,128	2,333	74.58
Western	3,128	2,333	74.58
Totals 1941	6,256	4,666	74.58
1940	3,634	1,872	51.51
British Cos.:			
British Aviation	None	None	....
London Guarantee	3,996	21,126	528.68
Marine	3,652	10,147	277.85
Phoenix Assur.	125,976	25,172	19.98
Totals 1941	133,624	56,445	42.24
1940	50,680	64,604	127.47
Foreign Cos.:			
Aetna Insurance	23,801	19,259	80.92
Auto. Insurance	18,866	18,619	98.69
Continental Ins.	94	None	....
Fidelity & Cas.	5,439	6,208	114.14
Glens Falls	50	None	....
Gt. Amer. Indem.	10,958	447	4.08
Gt. Amer. Ins.	41,865	15,141	36.17
Hartford Accident	25,380	24,214	95.41
Hartford Fire	23,801	19,196	80.65
Ins. Co. of N. A.	18,866	19,318	102.40
Maryland Casualty	25,136	25,613	101.90
Nat'l. Union Fire	11,910	9,631	80.86
North River	7,921	6,060	76.51
Phoenix Insur.	23,801	18,208	76.50
Prov. Washington	4,393	3,423	77.92
St. Paul Fire	23,801	22,152	93.07
Springfield Fire	11,869	6,507	54.82
Travelers Fire	11,910	9,235	77.54
Travelers Indem.	25,380	27,855	109.75
U. S. Fidel. & Gr.	25,607	14,951	58.39
U. S. Fire	7,921	6,556	82.77
Grand totals 1941	488,649	333,704	68.29
1940	295,244	119,911	40.61

Hail

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Aetna-Alliance Ins.			
Aetna	13,328	16,813	126.15
Ins. of N. A.	31,877	21,486	67.40
Springfield	27,095	18,263	67.40
Sentinal	797	537	67.38
World F. & Mar.	18,548	4,673	25.19
Michigan	3,188	2,149	67.41
	94,833	63,921	67.42
Continental			
Continental Ins.	74,298	36,736	49.44
Fidelity Phoenix	21,656	10,184	47.03
Maryland	3,017	2,008	66.56
Niagara	10,234	3,863	37.75
	109,205	52,791	48.34
Hartford			
Hartford Fire	53,110	30,861	58.11
Citizens of N. J.	6,777	912	13.46
N. Y. Underwrit.	9,187	2,248	24.47
	69,074	34,021	49.30
Phoenix of Hartford			
Phoenix Ins.	33,479	20,093	60.02
Connecticut	20,203	12,125	60.02
Equitable Fire	4,041	2,425	60.01
Prov. Washington	28,861	17,322	60.02
Westchester	28,861	17,322	60.02
	115,445	69,287	60.04
(B)—Individual Companies:			
Alliance Assur.	18,374	4,496	24.47
Amer. Alliance	6,726	3,510	52.19
Canada Security	8,209	1,175	14.31
Great American	60,587	31,593	52.19
Halifax	5,288	1,958	37.03
Home Ins.	201,092	94,610	47.05
Lond. & Scottish	7,948	4,656	58.58
New England	797	537	67.38
St. Paul F. & M.	12,303	2,784	22.63
Wawanesa	39,250	37,622	95.85
Grand total, 1941	749,061	402,961	53.79
1940	[illegible]	[illegible]	[illegible]



Built on Foundations that go down 100 years

For a full century, GORE Mutual has stood between Canadian property owners and financial loss resulting from fire.

Never once, during its one hundred years of service, has GORE failed to meet a legitimate claim, promptly and fully.

GORE Mutual is wholly owned and wholly managed by Canadians, and all of its assets are invested in Canadian securities.

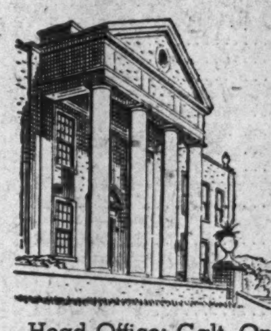
GORE'S Financial Strength

In 1844 — five years after its founding — GORE stood surety for property valued at $1,376,000. At the close of 1941, the amount of insurance in force was $103,000,000. In 1899 the ratio of GORE's cash assets to liabilities had grown to 4 to 1. Today this ratio is 6 to 1.

GORE has gained this sound position by conservative, businesslike management in the service of its policyholders' interests.

Additional Insurances

Besides its fire insurance services, GORE offers automobile, personal property floater, plate glass and windstorm insurance.



GORE DISTRICT MUTUAL FIRE INSURANCE CO.
WHOLLY CANADIAN
Head Office: Galt, Ontario

THE Dominion of Canada GENERAL Insurance Company
Established 1887
Fire Casualty Life

Another Year of Progress

Another year has passed into history, and a strenuous year it has been. Yet, in spite of difficulties imposed on industry by the necessities of war, both of these companies have shown substantial progress. Each has a record of many years' steady and consistent growth in business and in financial strength — a growth maintained through some very trying times in the world's history.

Each year adds to their prestige. They enjoy the complete confidence of agents, policyholders and bank and mortgage interests.

Their operations include all classes of Insurance, other than Life, and extend throughout Canada, the United States and many neutral and allied countries.

BRITISH AMERICA ASSURANCE COMPANY
INCORPORATED 1833
WESTERN ASSURANCE COMPANY
INCORPORATED 1851
TORONTO — CANADA

Commerce Mutual Fire Insurance Company

1941

ANOTHER YEAR OF PROGRESS

Assets (Book Value)	$ 2,665,836.26
Capital Stock (Paid-Up)	212,040.00
Surplus	1,834,303.65
Surplus for Protection of Policyholders	2,046,343.65
Government Deposit	over 1,000,000.00
Income	1,099,602.61
Insurance in force	84,285,048.00

Hon. Alfred Leduc, President
T. A. St-Germain, Managing Director

HEAD OFFICE — ST. HYACINTHE, QUE.

Branches and General Agents

Toronto Winnipeg Vancouver Saint John Montreal

FIRE - INLAND TRANSPORTATION - CASUALTY

1906 1942

British Northwestern

FIRE INSURANCE COMPANY

BALANCE SHEET AS AT DECEMBER 31, 1941

ASSETS

Cash in Bank and on Hand		$ 24,138.22
Balances due by Agents		49,050.10
Accounts Receivable		624.60
Investments:		
Bonds and Debentures, at Cost	$952,742.61	
Stocks and Shares, at cost	283,048.08	
Real Estate Mortgages, at book value	12,750.00	
Real Estate, at book value	2.00	
		1,248,542.69
Interest Accrued		11,293.01
Total		$1,333,648.62

LIABILITIES

Losses Unadjusted		$ 12,270.84
Accounts Payable		14,030.30
Taxes Payable—Estimated		19,731.79
Due to Affiliated Companies		12,770.98
Reserve for Bad Debts		5,000.00
Reserve for Unearned Premiums		135,097.49
Capital Stock:		
Authorized — 50,000 Shares of $40.00 each	$2,000,000.00	
Issued—14,860 Shares on which there has been paid		248,699.20
General Investment Reserve Fund		200,000.00
Surplus		686,048.02
Total		$1,333,648.62

HEAD OFFICE — TORONTO

J. H. RIDDEL, President and Managing Director

V. G. CREBER, Asst. Manager S. FAIRLEY, Secretary

BRANCH OFFICES

WINNIPEG—A. C. Ruby, Branch Manager

VANCOUVER—M. Nevill, Branch Manager

NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.

The organization that for one hundred and forty-five years has satisfied the demands of business men for safe and reliable insurance.

HEAD OFFICE FOR CANADA

TORONTO

E. M. WHITLEY, General Manager for Canada

All Classes of Insurance Effected at

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LONDON

Anglo Canadian Underwriters Limited

Head Office—80 Richmond Street W., Toronto

Branch Offices

TORONTO REGINA SASKATOON CALGARY EDMONTON VANCOUVER HALIFAX SAINT JOHN

Correspondence invited from agents throughout Canada

Accident

EMPLOYERS' LIABILITY

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Cos.:			
British America	6,680	1,535	22.98
British Canadian	2,030	299	14.73
British Empire	1,469	272	18.52
Br. Northwestern	1,386	234	16.88
Canada Accident	25,000	14,191	56.76
Canada Security	3,418	1,494	43.71
Canadian Fire	727	None	...
Canadian General	42,270	35,926	84.99
Canadian Indem.	14,577	4,635	31.80
Canadian Surety	3,133	482	15.38
Casualty	814	143	17.57
Consolidated	None	1,169	...
Dom. of C. Gen.	2,781	752	27.04
General Acc. of Can.	33,343	14,313	42.93
General Security	18,698	5,492	29.37
Globe Indemnity	29,983	5,894	19.66
Guardian	42,415	18,445	43.49
Halifax	19,556	16,645	85.11
Hudson Bay	None	None	...
Imperial G. & A.	1,193	246	20.62
Imperial Insur.	498	119	23.90
London and Lanc. Guar.	22,781	2,750	12.05
North Amer. Acc.	None	None	...
Occidental Fire	32	None	...
Toronto General	21,596	23,291	107.85
Wawanesa	147	None	...
Western	9,174	2,073	22.60
Total 1941	303,701	150,400	49.52
1940	237,705	120,241	50.58
British Cos.:			
Alliance Assur.	None	—63	...
Anglo-Scottish	1,243	60	4.83
Atlas	10,646	1,793	16.84
Car and General	1,119	362	32.35
Century	183	—115	...
Commercial Union	2,727	6,001	220.06
Employers Liab.	195,033	125,817	64.51
Gen. Acc. F. & L.	3,674	1,293	35.19
Guildhall	4,869	1,044	21.44
Law Union and Rock	9,590	4,574	47.70
Liverpool and L. and G.	3,331	663	19.90
Lond. and Prov'l	2,173	398	18.42
London and Scot.	1,985	452	22.77
London Assur.	522	26	4.98
London, G. and A.	178,661	82,228	46.02
North British	12,713	4,185	32.92
Northern	16,643	7,945	47.74
Norwich Union	28,204	19,755	70.04
Ocean Accident	18,246	5,006	27.44
Pearl	716	22	3.07
Phoenix Assur.	10,823	—1,795	...
Prudential Assur.	32,527	905	2.78
Rlwy. Passengers	2,650	1,045	39.43
Royal Exchange	21,947	14,539	66.25
Royal Insurance	30,144	5,583	18.52
Scottish Metro.	815	64	7.85
South British	None	None	...
Sun	980	178	18.16
Union Assurance	6,313	—1,137	...
Union of Canton	48,156	10,818	22.46
Union Marine	2,845	658	23.13
World Marine	9,963	3,981	39.96
Yorkshire	6,308	3,969	62.91
Total 1941	665,750	300,254	45.10
1940	429,605	223,089	51.93
Foreign Cos.:			
Arex Indemnity	3,743	3,632	97.03
Commercial Cas.	1,350	587	43.48
Continental Cas.	1,086	None	...
Employers' Reins.	923	1,946	210.83
Fidelity and Cas.	622	None	...
Foncière Transp.	None	114	...
General Cas. of America	505	3	0.59
General Reinsur.	2,867	None	...
Great Amer. Ind.	2,988	591	19.78
Hartford Accident	34,779	13,936	40.07
Indemnity Insur.	5,251	1,113	21.20
Liberty Mutual	1,590	15	0.94
Lumbermen's Mut. Cas.	None	—133	...
Maryland Casualty	51,316	19,056	37.13
Metropolitan Cas.	40,257	12,054	29.94
Travelers Insur.	62,979	20,830	33.07
U. S. F. and G.	54,242	36,473	67.24
Zurich	11,963	318	2.66
Total 1941	276,261	110,535	40.01
1940	191,236	96,826	50.63
Grand total 1941	1,245,712	561,189	45.05
1940	858,546	440,156	51.27

PUBLIC LIABILITY

	Net prems. written $	Net losses incurred $	Ratio %
British Cos.:			
Alliance Assur.	None	None	...
Anglo-Scottish	28,261	26,224	92.79
Atlas	15,565	3,660	23.51
Car and General	11,190	—1,736	...
Century Insur.	3,142	—3,161	...
Commercial Union Assur.	14,488	5,717	39.46
Employers Liab.	206,760	50,105	24.23
Gen. Acc. F. & L.	26,652	12,318	46.22
Guildhall	13,542	1,971	14.55
Law Union & Rock	10,082	1,350	13.39
Legal & General	8,908	3,204	35.97
Liverpool & L. & G.	8,259	2,109	25.54
London & Prov.	6,515	631	9.69
London & Scot.	8,744	193	2.21
London Assur.	5,833	907	15.55
London G. & Acc.	24,756	12,191	49.24
Motor Union	228	5	2.19
North British	23,161	7,608	32.85
Northern	26,061	5,243	20.12
Norwich Union F.	46,815	11,561	24.70
Ocean Accident	44,173	12,381	28.03
Pearl	43,590	12,679	29.09
Phoenix Assur.	24,656	2,455	9.96
Prudential Assur.	67,921	14,226	20.94
Queensland	2,876	None	...
Rlwy. Passengers	5,135	975	18.99
Royal Exchange	34,943	7,611	21.78
Royal Insurance	71,882	17,963	24.99
Scot. Metropolitan	1,380	—4	...
South British	None	None	...
Sun	7,504	881	11.74
Union Assurance	6,919	1,639	23.69
Union of Canton	144,332	43,523	30.15
Union Marine	12,004	490	4.08
World Marine	12,883	2,643	20.52
Yorkshire	22,281	2,889	12.97
Total 1941	991,445	260,431	26.27
1940	933,913	244,555	26.19
Foreign Cos.:			
Arex Indemnity	11,886	9,080	76.39
Commercial Cas.	17,920	4,187	23.36
Continental Cas.	16,817	6,133	36.47
Employers Reins.	9,830	—1,119	...
Fidelity & Cas.	1,711	None	...
Foncière Transpt.	None	None	...
Gen. Cas. of Am.	11,880	4,172	35.12
General Reinsur.	16,417	None	...
Gt. Amer. Indem.	9,175	6,219	67.78
Hartford Accident	36,098	8,005	22.18
Indemnity Insur.	26,896	2,550	9.48
Liberty Mutual	5,291	832	15.72
Lbrmen's Mut. C.	6,937	5,930	85.48
Maryland Cas.	35,442	14,701	41.48
Travelers Indem.	32,051	13,586	42.39
Travelers Insur.	61,963	11,137	17.97
U. S. Fid. & G.	146,686	82,923	56.53
U. S. Guarantee	3,538	309	8.73
Zurich	50,648	5,216	10.30
Total 1941	501,295	173,861	34.68
1940	475,479	123,533	25.98
Grand total 1941	2,590,261	804,444	31.06
1940	2,334,405	721,869	30.92
Canadian Cos.:			
British America	21,698	15,016	69.20
British Canadian	7,224	5,191	71.86
British Empire	11,466	6,876	59.97
Br. Northwest.	6,769	1,293	19.10
Canada Accident	29,664	2,745	9.25
Canada Security	7,718	1,426	18.48
Canadian Fire	5,172	1,352	26.14
Candn General	93,931	26,137	27.83
Candn Indemnity	155,623	45,745	29.39
Candn Surety	26,446	2,437	9.22
Casualty	17,225	9,167	53.22
Consolidated	2,956	—315	....
D. of C. General	42,879	8,489	19.80
Econ. Mutual	4,608	1,561	33.88
Federal Fire	3,394	2,784	82.03
Fidelity Ins.	62,747	27,521	43.86
Gen. Acc. of Can.	151,652	38,399	25.32
General Security	29,687	3,384	11.40
Globe Indemnity	74,329	18,978	25.53
Guardian Ins.	52,695	9,865	18.72
Halifax	52,821	28,103	53.20
Hudson Bay	None	None	....
Imperial Guar.	15,647	9,379	59.94
Imperial Ins.	2,629	307	11.68
Lon. & Lanc. Gu.	36,263	29,895	82.44
Occidental Fire	917	—308	....
Tor. General	124,340	42,499	34.18
Wawanesa	5,066	6	0.12
Western	51,955	32,220	62.02
Totals, 1941	1,097,521	370,152	33.73
1940	925,013	353,781	38.25

Steam Boiler

	Net prems. written $	Net losses incurred $	Ratio %
Boiler Inspection	423,269	43,533	10.28
British Canadian	27	....	...
Employers' Liab.	58,816	211	0.36
Fidel. & Casualty	267	....	...
Gen. Acc. of Can.	94,809	6,532	6.89
Globe Indemnity	14,143	160	1.13
Guardian Ins. of Canada	34,496	1,366	3.96
Halifax	16,181	224	1.38
Hartford Steam Boiler	23,233	2,000	8.61
Liv. & Lon. & G.	1,571	18	1.15
Lon. Guar. & Acc.	718	....	...
Lbrman's M. Cas.	4,904	1,103	22.49
Maryland Cas.	15,060	90	0.60
Ocean Acc. & G.	55,721	1,907	3.42
Royal Ins.	24,015	152	0.63
Travelers Indem.	90,706	4,788	5.28
Western Assur.	30	....	...
Total 1941	857,971	62,084	7.24
1940	599,675	39,461	6.58

Canadian Casualty Insurance

	Net Prems. Written 1941 $	Net Prems. Written 1940 $	Net Losses Incurred 1941 $	Loss Ratio 1941 %	Loss Ratio 1940 %	Loss Ratio 1939 %
Accident:						
(1) Personal	3,303,485	3,119,922	1,224,114	37.03	38.14	38.92
(2) Empl. liab.	1,245,712	858,546	561,189	45.05	51.27	51.25
(3) Public liability	2,590,261	2,334,405	804,444	31.06	30.92	29.28
Accident and sickness combined	4,464,546	3,542,578	2,597,913	58.19	58.00	59.79
Theft	1,344,556	1,384,869	348,650	25.95	37.09	40.42
Credit	233,863	223,253	16,060	6.87	5.39	15.84
Earthquake	9,934	12,892	......	....	....	6.17
Machinery	321,883	248,604	72,891	22.65	20.92	32.49
Plate glass	575,682	575,833	293,300	50.95	48.06	46.28
Explosion	294,561	169,708	426	0.14	0.09	0.04
Forgery	42,059	30,595	—2,357	....	14.40	....
Aircraft	488,649	295,244	333,704	68.29	....	....
Weather	9,166	4,350	4,290	47.89	41.03	68.05
Guarantee:						
(1) Fidelity	1,267,467	1,247,197	199,533	15.74	29.68	23.53
(2) Surety	899,718	753,203	43,167	4.80	1.91	....
Hail	749,081	1,031,868	402,961	53.79	43.29	16.31
Inland transportation	1,255,604	1,097,946	386,988	30.82	38.71	30.31
Livestock	20,478	20,761	12,556	61.31	43.52	79.78
Property	264,631	242,473	110,013	41.57	44.68	24.76
Personal property	2,594,217	2,303,759	1,538,980	59.32	32.50	35.27
Sickness	1,911,282	1,641,487	1,151,397	60.24	65.43	62.17
Steam boiler	857,971	599,675	62,084	7.24	6.58	5.14
Tornado	155,635	146,831	123,018	79.04	91.17	43.24
	24,902,461	21,885,999	9,951,717	39.96	39.96	36.50

Figures are exclusive of Lloyd's.

Personal Property

	Net prems. written $	Net losses incurred $	Ratio %
British-Amer.-Western			
British America	27,574	10,953	39.72
Western Assur.	36,078	15,556	43.12
	63,652	26,509	41.64
Canadian General			
Canadian General	31,014	19,438	62.67
Toronto General	58,403	18,646	31.93
	89,417	28,084	31.41
Commercial Union			
Canada Acc.	29,254	10,649	36.40
Union Assur.	27,388	10,791	39.40
Comm. Union	28,907	11,224	38.83
	85,549	32,664	38.18
North British			
North British	29,699	12,432	41.86
Rly. Passengers	4,970	624	12.56
	34,669	13,056	37.65
Northern			
Northern Assur.	15,943	4,439	27.84
World Marine	3,403	1,966	57.77
	19,346	6,405	33.11
Phoenix of London			
London G. & A.	17,476	8,338	47.71
Union Marine	10,374	4,731	45.60
Phoenix Assur.	41,921	22,669	54.08
	69,771	35,738	51.22
Royal Liverp'l & L. & G.			
Liverp'l & L. & G.	51,157	18,938	37.02
Royal Insur.	69,492	23,559	33.90
	120,649	42,497	35.22
(B)—Individual Companies:			
Aetna Insurance	127,201	54,360	42.74
Agricultural	8,064	3,041	37.71
Alliance Insur.	93,979	42,861	45.80
Amer. Alliance	5,127	2,765	53.93
Atlas	20,221	8,383	41.46
Acadia	5,181	2,490	48.06
Auto. Insurance	27,717	88,854	320.58
American Ins.	5,679	837	14.74
Boston	6,542	1,758	26.87
Brit. Crown	142	185	130.28
British Law	4,386	3,359	76.58
Brit. N'western	17,504	5,090	29.08
British Oak	6,004	2,659	44.29
British Traders	1,189	......	....
Caledonian	9,280	3,004	32.37
Camden	4,802	703	14.64
Canada Security	8,889	5,646	63.52
Canadian Fire	4,230	3,125	73.88
Canadian Indem.	12,510	6,257	50.02
Canadian Surety	6,970	1,975	28.34
Casualty	1,309	379	28.95
Century	9,009	2,679	29.74
Columbia	1,727	830	48.06
Connecticut	40,370	67,022	166.02
Cont. Insurance	34,657	15,738	45.41
Dom. of Can. Gen.	36,749	11,520	31.35
Eagle Fire	2,358	374	15.86
Eagle Star	8,679	3,174	36.57
Economical Mut.	5,733	738	12.87
Employers' Liab.	56,415	23,315	41.33
Equitable Fire	8,074	13,404	166.01
Federal	715	704	98.46
Fed. Fire of Can.	1,921	22	1.15
Fidelity Ins.	22,222	6,221	27.99
Fidelity-Phenix	34,702	17,541	50.55
Fire Assoc.	20,709	1,049	5.07
Fireman's Fund	45,247	—3,320	....
First American	646	91	14.09
Gen. Acci. of Can.	29,919	12,196	40.76
Gen. Acci. F. & L.	27,510	12,708	46.19
Gen. Ins. of Amer.	16,804	6,276	37.35
Gen. Security	11,075	20,044	18.46
Glen Falls	35,600	17,556	49.31
Globe Indemnity	12,399	4,621	37.27
Gore District	2,200	582	26.45
Great American	48,611	64,140	131.95
Guardian Assur.	10,695	1,949	18.22
Guard. Insurance	14,627	6,756	46.19
Guildhall	17,328	4,695	27.09
Halifax	4,793	787	16.42
H'ware Dealers	4,854	3,077	63.39
Hartford Fire	19,872	44,715	225.02
Home Insurance	85,712	46,934	54.76
Imperial Ins.	7,215	5,288	73.29
Indemnity Mar.	24,089	8,848	36.73
Ins. of N. Amer.	155,072	63,184	40.74
Law, Union & R.	1,853	357	19.27
Legal & General	24,215	6,733	27.81
Lon. & Lanc. Ins.	85,444	23,883	27.95
Lon. & Provincial	3,348	444	13.26
London & Scot.	819	121	14.77
London Assur.	20,320	6,124	30.14
London-Canada	1,250	79	6.32
Lbrmen's Ins.	6,047	1,087	17.98
Marine	8,373	7,839	93.62
Maryland Insur.	1,837	681	37.07
Michigan Fire	9,301	1,590	17.09
Milwaukee Mech.	28,781	7,654	26.59
Minnesota Imple.	4,812	3,077	63.94
Nat. Union Fire	10,979	6,599	60.11
Nat. Ben. Frank.	33,912	8,278	24.41
N.Y. Underwriters	2,486	681	27.39
Niagara Fire	4,620	1,968	42.60
North. Empire	3,453	1,660	48.07
North. River	—37	1,813	....
North Star	2,979	34	1.17
Norwich Union	35,330	18,674	52.86
N'western Mutual	8,233	1,607	19.52
Ocean Accident	36,825	16,016	43.49
Ohio Farmers	4,494	914	20.34
Pacific Coast	3,280	1,415	43.14
Pacific Fire	4,374	3,474	79.42
Patriotic	21	8	38.10
Pearl	26,309	13,283	50.49
Philadelphia Fire	2,217	126	5.68
Phoenix of Hart.	66,899	111,066	166.02
Provid. Washing.	10,356	7,249	70.00
Pruden. Assur.	64,057	27,857	43.49
Royal Exchange	16,506	6,028	36.52
Royal Scottish	174	......	....
Scottish Met.	2,191	726	33.14
Scottish Union	12,880	2,324	18.04
Sea	4,851	598	12.33
St. Paul Fire	63,302	112,411	177.58
Security Insur.	5,315	1,631	30.69
Sentinel	1,567	398	25.40
South British	293	444	151.54
Sun Insurance	18,598	8,653	46.53
Springfield	51,797	13,915	26.86
Tokio	4,928	1,269	....
Travelers Fire	73,194	171,396	234.17
Union of Canton	41,953	11,707	27.91
United States Fire	18,851	7,715	40.93
Wawanesa	4,418	782	17.70
Wellington	1,846	560	30.34
Westchester	18,851	7,715	40.93
World F. & Mar.	5,849	1,982	33.89
Yorkshire	21,635	6,193	28.62
Total, 1941	2,594,217	1,538,980	59.32
1940	2,303,759	748,768	32.50

Accident and Sickness

(Dominion Licensed Companies)

(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Dominion of Canada			
Cas. Co. of Can.	1,175	......	....
Dom. of Can. Gen.	4,396	753	17.13
	5,571	753	13.51
General Accident			
Gen. Acc. of Can.	12,811	5,605	43.75
Gen. Acc. F. & L.	2,050	—108	....
	14,861	5,497	36.98
Yorkshire Group			
London & Prov.	1,717	732	42.63
Yorkshire Insur.	18,028	6,428	35.66
	19,745	7,160	36.26
(B)—Individual Companies:			
Aetna Life	388,024	301,257	77.64
Canada Acc.	9,653	6,630	68.68
Comm. Union	9,653	6,630	68.68
Confederation L.	219,277	167,692	76.47
Econ. Mutual	109,105	47,121	43.19
Halifax	677	1,242	183.46
Imperial Insur.	65	......	....
London Gr. & Acc.	19,434	7,065	36.34
London Life	699,428	513,098	73.36
Loyal Protective	218,472	88,590	40.55
Maryland Cas.	6,886	7,630	110.80
Metropol. Life	1,017,450	700,428	68.84
Mutual Life	22,630	11,389	50.23
Mutual Benefit Health	1,236,747	452,513	36.53
North. Amer. Acc.	39,821	9,046	22.72
Occidental L.	4,862	495	10.18
Ocean Acc.	9,653	6,630	68.68
Protective Assoc.	341,892	240,253	70.27
Phoenix Assus.	6,895	2,082	30.20
Prudential Assur.	27,380	4,221	15.41
Prudential Insur.	14,412	4,844	33.22
Sun	5,325	3,034	56.98
Union Assus.	9,653	4,545	47.08
Union Marine	4,956	1,299	26.21
Grand totals, 1941	4,464,546	2,597,913	58.19
1940	3,542,578	2,056,306	58.05

Inland Transportation

(Dominion Licensed Companies)

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Cos.:			
Acadia	764	169	22.12
British America	19,985	3,885	19.44
Br. Northwestern	1,202	105	8.74
Canada Accident	6,674	4,508	67.55
Canada Security	917	159	17.34
Canadian General	24,787	10,000	40.34
Canadian Indem.	23,351	2,660	11.39
Canadian Surety	301	114	37.87
Gen. Acc. of Can.	1,614	—44	...
General Security	188	178	94.68
Globe Indemnity	3,566	1,507	42.26
Guardian Insur.	2,109	108	5.12
Halifax	2,311	1,898	82.13
North Empire	510	113	22.16
Pacific Coast	2,518	488	19.38
Reliance	None	None	...
Toronto General	12,800	7,601	59.38
Wawanesa	1,962	624	31.80
Western	27,699	5,359	19.35
Totals 1941	133,258	39,432	29.59
1940	125,409	64,397	51.35
British Cos.:			
Atlas	4,444	4,545	102.27
British Crown	1,371	7,183	523.92
British Law	851	398	46.77
British Oak	3,601	581	16.13
Century Insur.	6,161	1,157	18.78
Commercial Union Assurance	6,424	302	4.70
Eagle Star	638	25	3.92
Employers' Liab.	5	33	660.00
Gen. Acc. F. & L.	1,704	760	44.60
Guildhall	2,729	471	17.26
Indem. Marine	18,763	3,464	18.46
Legal and General	5,171	1,357	26.24
Liverpool and L. and G.	18,640	6,161	33.05
London and Lan. Ins.	25,727	2,272	8.83
London & Prov.	—20	15	...
London Assurance	33,494	14,605	43.60
London G. & A.	2,549	564	22.13
Marine	37,425	5,547	14.82
North British	3,494	1,664	47.62
Northern	4,545	1,719	37.82
Norwich Union	7,669	2,491	32.48
Ocean Accident	731	299	40.90
Ocean Marine	None	None	...
Pearl	3,780	1,452	38.41
Phoenix Assur.	5,683	1,022	17.98
Prudential Assur.	96,081	38,068	39.62
Queensland	11,362	1,184	10.42
Rlwy. Passengers	407	243	59.71
Royal Exchange	529	689	130.25
Royal Insurance	20,723	7,749	37.39
Scottish Union	245	None	...
Sea	12	409	...
Sun	1,825	718	39.34
Union Assurance	495	119	24.04
Union of Canton	44,770	17,899	39.98
Union Marine	1,658	—212	...
World Marine	282	104	36.88
Yorkshire	6,349	1,961	30.89
Total 1941	380,317	126,284	33.20
1940	364,055	90,726	24.92
Foreign Cos.:			
Aetna Insurance	57,031	3,996	7.01
Agricultural	6,448	1,333	20.67
Alliance Insur.	19,885	16,226	81.60
Amer. Alliance	800	26	3.25
American Insur.	64,927	35,945	55.36
Automobile	22,532	4,914	21.81
Boston Insurance	4,039	1,245	30.82
Camden	4,423	1,558	35.22
Central Mfrs.	1,003	585	58.33
Columbia	3,777	559	14.80
Connecticut	7,759	1,514	19.51
Continental Insur.	21,440	7,410	34.56
Eagle Fire	274	259	94.53
Equitable Fire	1,552	303	19.52
Federal Insurance	1,321	14	1.06
Fidelity-Phenix	17,423	6,348	36.43
Fire Association	8,202	2,947	35.93
Fireman's Fund	19,603	1,933	9.86
First American	375	230	61.33
General Ins. of America	2,605	652	25.03
Glens Falls	6,310	1,478	23.34
Gt. American Ins.	7,200	235	3.26
Hartford Fire	94,167	52,029	55.24
Home Insurance	132,148	16,639	12.59
Ins. Co. of N. A.	69,178	18,138	26.22
Lumbermen's Ins.	460	None	...
Maryland Insur.	206	336	163.11
Michigan	878	250	28.47
Milwaukee Mech.	12,317	1,697	13.78
Nat'l-Ben Franklin	801	135	16.85
National Fire	3,797	110	2.90
Nat. Union Fire	2,483	None	...
Niagara	1,236	1,711	138.43
North River	—20	261	...
North Star	90	199	221.11
Northwest'n Mut.	270	5,061	...
Northwest'n Nat.	4	152	...
Ohio Farmers	16	None	...
Pacific Fire	1,019	None	...
Philadelphia F. and M.	1,602	None	...
Phoenix Insur.	12,857	2,509	19.51
Prov. Washington	3,331	—204	...
Queen	2,362	None	...
St. Paul Fire	68,241	22,040	32.30
Security	476	75	15.76
Sentinel	220	62	28.18
Springfield	7,684	2,187	28.46
Tokio	274	—194	...
Travelers Fire	10,282	1,385	13.47
United States Fire	15,753	2,881	18.29
Westchester	15,753	2,881	18.29
World F. and M.	5,195	1,227	23.62
Total 1941	742,029	221,272	29.82
1940	608,482	269,910	44.36
Grand total 1941	1,255,604	386,988	30.82
1940	1,097,946	425,033	38.71

Property

(Dominion Licensed Companies)

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Cos.:			
Brit. Amer.	857	214	24.97
General Accident	496	......	....
Globe Indemnity	123	1	0.81
Pacific Coast	102	31	30.39
Western	1,124	336	29.89
Totals, 1941	2,702	582	21.54
1940	1,165	243	20.86
British Cos.:			
Atlas	2,076	6,776	326.40
British Law	927	157	16.94
Century	396	149	37.63
Gen. Acc. F. & L.	32	......	....
Guildhall	5,043	111	2.20
Indemn. Marine	871	747	85.76
Liv. L. & Gl.	890	4	0.40
Lon. & Lanc.	23,970	246	1.03
London Assur.	5,059	—2	....
Northern	47	......	....
Norwich Un. F.	35	......	....
Pearl	147	8	5.44
Royal Insur.	613	5	0.82
World Marine	10	......	....
Totals, 1941	40,216	8,201	20.39
1940	59,077	3,308	5.60
Foreign Cos.:			
Aetna Insur.	144,124	35,358	24.53
Agricultural	449	2	0.45
Amer. Alliance	22	......	....
Connecticut	8,095	1,335	16.49
Continental Ins.	643	489	76.05
Equitable Fire	1,619	267	16.49
Fidelity-Phenix	27	—15	....
Fire Association	930	......	....
Fireman's Fund	47,480	59,345	124.99
Gen. Ins. of Am.	—161	......	....
Great Amer. Ins.	201	......	....
Hartford Fire	61	......	....
Insur. of N. A.	2,705	......	....
Phoenix Insur.	13,414	2212	16.49
Providence Wash.	30	......	....
Tokio	—688	745	....
U. S. Fire	593	746	125.80
Westchester	593	746	125.80
World F. & M.	1,576	......	....
Totals, 1941	221,713	101,230	45.66
1940	182,231	104,783	57.50
Grand Totals, 1941	264,631	110,013	41.57
1940	242,473	108,334	44.68

Explosion

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Cos.:			
British America	1,019	None	....
British Canadian	208	None	....
British Empire	111	None	....
Brit. Northwest'n	2,118	None	....
Canadian Fire	2,323	None	....
Canadian General	931	None	....
Dominion Fire	89	None	....
Ensign	28	None	....
Globe Indemnity	124	None	....
Guardian Ins.	936	None	....
Halifax	3,352	None	....
Hudson Bay	159	None	....
Hand in Hand	*1,365	......	....
Imperial G. & A.	385	None	....
Imperial Ins.	1,706	None	....
Liverp'l-Manitoba	126	None	....
Lon. & Lan. Guar.	29	None	....
London-Canada	238	None	....
Mercantile	2,497	None	....
National Liverp'l	102	None	....
North West	211	None	....
Pilot	272	......	....
Pioneer	89	None	....
Quebec	422	None	....
Reliance	1,479	—63	....
Security National	2,320	None	....
Toronto General	619	None	....
Western	1,052	None	....
Total, 1941	24,302	—63	....
1940	7,485	63	0.84
*Prov. license.			
British Cos.:			
Alliance Assur.	157	None	....
British Crown	5,090	None	....
British Law	68	None	....
British Oak	190	None	....
British Traders	1,141	None	....
Central Ins.	99	None	....
Eagle-Star	2,320	None	....
Employers' Liab.	1,429	None	....
Gen. A., F. and L.	332	None	....
Guardian Assur.	3,309	None	....
Guildhall	67	None	....
Law, Union and R.	4,593	None	....
Legal and General	3,627	None	....
Liverp'l & L. & G.	914	None	....
London and Co.	241	None	....
Lon. & Lanc. Ins.	38,204	18	0.05
London Assur.	—235	None	....
Patriotic	882	None	....
Pearl	6,317	None	....
Planet	1,866	None	....
Prudential Assur.	40,883	None	....
Royal Exchange	381	None	....
Royal Insurance	1,417	None	....
Scottish Insurance	661	None	....
Scottish Union	2,250	None	....
Sea	1,046	None	....
South British	1,127	None	....
Sun	8,919	None	....
Union of Canton	2,120	None	....
World Mar. & G.	24	None	....
Total, 1941	129,439	18	0.01
1940	64,735	None	....
Foreign Cos.:			
Aetna Insurance	16,494	None	....
Agricultural	3,956	None	....
Alliance Ins.	33,004	None	....
Amer. Alliance	788	None	....
American Ins.	916	None	....
Boston Ins.	483	None	....
Central Manufac.	537	None	....
Central Union	95	None	....
Citizens	334	None	....
Connecticut	5,264	None	....
Continental	470	None	....
Equit. Fire & Mar.	1,053	None	....
Eureka-Security	990	None	....
Fidelity-Phenix	—383	None	....
Fire Asso. of Phil.	—17	None	....
Firemen's Assur.	38	None	....
Gen. Ins. of Amer.	4,495	467	10.39
Girard	30	None	....
Gt. American Ins.	8,751	None	....
Hartford Fire	5,932	None	....
Helvetia	102	None	....
Home Insurance	10,985	4	0.04
Indiana Lbrm's.	123	None	....
Ins. Co. of N. A.	8,786	None	....
Lbrm's Mut. of Mansfield	108	None	....
Michigan Fire	360	None	....
Nat.-Ben Franklin	60	None	....
Nat. Union Fire	1,611	None	....
Newark	109	None	....
N.Y. Underwriters	715	None	....
Niagara	269	None	....
North River	1,078	None	....
Northwest'n Nat.	76	None	....
Phila. F. and M.	1,478	None	....
Phoenix of Hart'd	8,724	None	....
Provid. Washing'n	1,912	None	....
Queen	444	None	....
St. Paul Fire	8,192	None	....
Security Ins.	57	None	....
Sentinel	90	None	....
Springfield	4,732	None	....
Switzerland Gen.	97	None	....
Transcontinental	39	None	....
United States Fire	4,968	None	....
Urbaine	275	None	....
Westchester	3,024	None	....
World F. & M.	825	None	....
Total, 1941	142,469	471	0.33
1940	97,488	86	0.09
Grand total, 1941†	295,946	426	0.14
1940	169,708	149	0.09

†Includes Hand-in-Hand.

***Canada* Needs Your Help to Conserve Property . . . and Prevent Waste!**

• Today : : : with wartime needs so pressing : : : Canada can not afford the tremendous wastage caused by fires! Do your part to prevent fires through unremitting care in detecting and removing possible sources of fire.

Your carefulness pays dividends in helping to reduce fire insurance rates in general : : : and you make a further saving when you place your insurance in The Economical Mutual: This all-Canadian Company, with assets of over $3,200,000, offers protection at a saving. Ask your agent to write your Fire, Automobile, Accident and other Casualty Policies in The Economical Mutual.

The Economical Mutual

FIRE INSURANCE COMPANY

ESTABLISHED IN 1871

HEAD OFFICE - KITCHENER, ONT.

STOPPAGE of PRODUCTION

The supreme importance of "carrying on" in 1942 makes it incumbent on every thinking businessman to guard his property fully against all the hazards of loss following property destruction. Investigate our policies covering:

Business Interruption; Loss of Rental Income or Rental Value; Loss of Profits; Cancellation of Orders for Merchandise; Loss of Accounts Receivable Records; Additional Expense of Maintaining Goodwill.

Ask for Insurance Analysis—Without Obligation.

THE PHOENIX INSURANCE COMPANY OF HARTFORD

S. M. ELLIOTT & A. H. VALLANCE, JOINT MANAGERS

485 McGill Street, Montreal

10 Adelaide St. East, Toronto. 218 Portage Ave., Winnipeg

Canada's Oldest Insurance Company

1809 **HALIFAX INSURANCE** 1942

One Hundred and Thirty-third Annual Statement—Balance Sheet

ASSETS—January 1st, 1942

Cash on deposit—Banks and Trust Companies			$ 646,027.90
Bonds and Stocks—Canadian Insurance Departmental Valuations			4,999,570.50
Interest Accrued			28,876.00
Balances (not over 90 days) payable by Agents			449,031.29
Balances payable by Reinsurers			37,974.81
Real Estate for use by Company			110,697.87
			$6,272,178.37

LIABILITIES—offsetting

Reserve against possible depreciation Bonds, Stocks, etc.			$ 200,000.00
Reserve for non-registered Reinsurance			307,741.51
Reserve for Taxes			57,290.62
Reserve for Expenses due and accrued			6,078.40
Reserve for Contingent Commissions to Agents			30,858.36
Payable for Dividend declared for Shareholders			100,000.00
For Satisfaction and Protection of Policyholders, as follows:			
Reserve for Unearned Premiums—Canadian Insurance Department Standard	$1,134,162.57		
Reserve for Losses under Adjustment	646,456.46		
Funds of Reinsurers, held under Agreements	523,975.35		
CAPITAL (fully paid)	$2,000,000.00		
NET SURPLUS	1,265,615.10		
		3,265,615.10	
			5,570,209.48
			$6,272,178.37

BOARD OF DIRECTORS

HON. F. B. McCURDY, P.C., President F. P. BLIGH, Vice-President

J. G. MacDOUGALL, M. D. J. R. MacLEOD H. R. SILVER L. A. LOVETT, K.C.

A. G. CROSS J. A. WALKER, K.C. J. H. WINFIELD

General Manager—ARTHUR C. BAILLIE

$1,515,315
Dividends returned to policyholders in 1941

Every phase of this Company's operations—its rigid selection of risks, its economy of operation, its conservative management—contributes to the final aim of mutual insurance—to give policyholders the highest protection at the lowest cost.

Applications for Agencies Invited

NORTHWESTERN
MUTUAL FIRE ASSOCIATION

EASTERN CANADIAN DEPARTMENT
Imperial Bldg., Hamilton, Ontario
WESTERN CANADIAN DEPARTMENT
Randall Bldg., Vancouver, B.C.

FIDELITY
Insurance Company
of Canada
TORONTO

NOTICE

Notice is hereby given that the PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-784 authorizing it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

The Wawanesa
Mutual Insurance Company
—Organized in 1896—
Admitted Assets .. $3,310,837.04
Surplus 1,735,148.47
Write for Financial Statement
Ask for Our Booklet "Farming Holds the Key"
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada

Sickness

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British America-Western			
British America..	15,814	11,179	70.69
British Canadian .	7,345	5,025	68.41
British Empire ...	11,129	7,861	70.64
Imperial G. & A.	61,453	40,618	66.10
Western	39,734	28,267	71.14
	135,475	92,950	68.86
Commercial Union			
Canada Acc. & F..	19,436	11,871	61.08
Union Assur. Soc.	6,545	3,313	50.62
Comm. Union Ass.	7,872	6,344	80.59
Ocean Accident ..	28,314	18,109	63.96
	62,167	39,637	63.82
Dominion of Canada			
Casualty Co. of C.	16,109	9,649	59.90
Dom. of C. Gen. ..	78,970	44,056	55.79
	95,079	53,705	56.53
General Accident			
Gen. Acc. of Can..	19,633	13,869	70.64
Gen. Acc. F. & L.	12,807	10,382	81.07
	31,440	24,251	77.23
London & Lancashire			
Law Union & Rk.	2,406	1,094	45.47
London & Lanc. G. & A.	21,571	14,716	68.22
	23,977	15,810	66.15
Northern			
Northern Assur. .	7,207	4,568	63.38
World Marine	7,174	4,568	63.67
	14,381	9,136	63.88
Canadian General			
Can. General	13,629	6,805	49.93
Toronto General .	10,988	6,014	54.73
	24,617	12,819	52.10
North British & Mercantile			
North Brit. & M.	32,210	22,873	71.01
Occidental Fire ..	1,498	1,018	67.96
Railway Pass.	14,963	10,807	72.22
	48,671	34,698	71.39
Norwich Union			
Canada Security .	1,901	666	35.03
Norwich Union ..	12,346	5,243	42.47
	14,247	5,909	41.54
Phoenix of London			
London G. & Acc.	10,763	5,641	52.41
Union Marine	1,467	439	29.93
Phoenix Assur. ..	4,386	1,496	34.11
	16,616	7,576	45.03
Royal Exchange			
Car & General ...	89	91	102.25
Royal Exchange..	91	91	100.00
	180	182	10.11
Royal Liverpool L. & G.			
Globe Indemnity.	45,457	22,792	50.14
Liverpool L. & G.	5,051	2,533	50.15
Royal Insurance..	44,154	21,913	49.63
	94,662	47,238	49.93
Sun			
Sun Insurance ...	9,532	4,258	44.67
Imperial Ins.	2,001	1,223	61.12
	7,923	5,481	69.37
U. S. Fidelity			
Fidel. Ins. of Can.	2,083	846	40.61
U. S. Fid. & Guar.	7,111	3,971	55.84
	9,194	4,817	52.41
(B)—Individual Companies:			
Aetna Life	9	......	....
British Northwest	3,136	1,871	59.66
Canadian Indem. .	13,614	6,744	49.54
Commercial Cas. .	30,262	17,381	57.44
Continental Cas. .	454,605	214,260	47.13
Employers' Liab. .	85,260	49,320	57.85
General Security.	9,005	8,880	98.61
Gen. Reinsurance.	3,204	1,865	58.21
Gt. Amer. Indem.	458	......	....
Guard. Ins. of C. .	9,620	6,877	71.49
Guildhall	2,990	3,350	112.04
Halifax	1,651	—252	....
Hartford Acc.	334	......	....
Indemnity Ins. ..	758	—76	....
Legal & General .	7,494	5,079	67.77
London Assur. ..	3,169	1,446	45.63
Maryland Cas. ...	186	87	46.77
Metropolitan Cas.	47	169	359.57
Metropolitan Life	53,996	14,796	27.40
North Amer. Acc.	1,416	644	45.48
Occidental Life ..	275	......	....
Prudential Assur.	23,541	11,925	50.66
Royal Guardians .	733	290	39.56
Travelers Ins. ...	285,424	193,512	67.80
Union of Canton .	30,550	23,066	75.50
Zurich	306,306	235,954	77.03
Grand total, 1941..	1,911,282	1,151,397	60.24
1940..	1,641,487	1,074,026	65.43

Personal Accident

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British American-Western			
British American.	32,194	14,389	44.69
British Canadian.	12,705	5,548	43.67
British Empire ..	21,585	9,626	44.60
Imperial G. & A.	90,913	39,554	43.51
Western Assur. ..	74,538	33,407	44.82
	231,935	102,524	44.23
Canadian Fire			
Canadian Fire ...	6,042	2,121	35.10
Canadian Indem.	14,474	3,390	23.42
	20,516	5,511	26.86
Commercial Union			
Canada Acc.	51,157	14,304	27.96
Union Assur.	14,253	12,842	90.10
Comm. Union	18,846	7,506	39.83
	84,256	34,652	41.12
Dominion of Canada			
Cas. Co. of Can. ..	34,428	16,295	47.33
Dom. of Can. Gen.	200,357	75,492	37.68
	234,785	91,787	39.09
General Accident			
Gen. Acc. of Can.	44,962	17,954	39.93
Gen. Acc. F. & L.	24,373	7,428	30.48
	69,335	25,382	36.60
London & Lancashire			
London & Lanc. G. & A.	38,185	13,269	34.75
Law Union & Rk.	12,241	1,900	15.52
	50,426	15,169	30.08
North British			
North British	49,572	14,348	28.94
Rly. Passengers .	36,280	11,091	30.57
Occidental Fire ..	3,238	938	28.88
	89,090	26,377	29.60
Northern			
Lond. & Scottish.	450	111	24.67
Northern Assur. .	17,212	10,329	60.01
Scottish Metrop. .	3,404	5,220	153.35
World Marine ...	3,759	3,032	80.66
	24.825	18,692	77.89
Norwich Union			
Canada Security .	6,398	3,810	59.55
Norwich Union ..	42,140	—10,675	25.33
	48,538	14,485	29.84
Phoenix of London			
London G. & A. ..	57,408	28,544	49.72
Union Marine	5,943	8,309	139.81
Phoenix Assur. ..	16,491	7,664	46.47
	79,842	44,517	55.74
Royal Exchange			
Royal Exchange..	5,284	1,018	19.27
Car. & Gen. Insur.	1,290	154	11.94
Motor Union Ins. .	1,835	131	7.14
	8,409	1,303	15.48
Royal Liverpool & L. & G.			
Globe Indem.	61,363	23,803	38.79
Liverp'l L. & G. .	6,818	2,646	38.81
Royal Insur.	62,541	22,531	36.03
	130,722	47,980	36.70
Sun			
Sun Insurance ...	43,825	22,103	50.43
Imperial Ins.	6,144	2,818	45.87
	49,969	24,921	49.87
U. S. Fidelity			
Fidel. Insur.	5,818	2,078	35.72
U. S. Fid. & Guar.	29,724	8,226	27.67
	35,542	10,304	28.98
Yorkshire			
London & Prov. .	4,706	1,800	38.25
Yorkshire	31,236	13,055	41.79
	35,942	14,855	41.33
(B)—Individual Companies:			
Aetna Life	5,484	1,109	20.22
Anglo-Scottish ..	36,287	14,576	40.17
Atlas	7,047	3,145	44.46
Br. Nor'Western .	6,577	3,003	45.66
Century Insce. ...	11,386	4,797	42.13
Commercial Cas. .	39,299	14,527	36.97
Confed. Life	4,369	2,500	57.22
Consolidated	532	12	2.26
Continental Cas. .	459,507	127,579	27.76
Employers' Liab. .	223,581	109,649	49.04
Employers' Reins.	5,439	932	17.14
Fidelity & Cas. ..	720	......	....
General Reins. ...	5,267	2,259	42.89
Gen. Security	24,803	10,086	40.66
Great Amer. Ind.	2,362	724	30.65
Guardian Ins. ...	47,559	21,038	44.24
Guildhall	8,731	3,970	45.47
Halifax	4,029	—283	....
Hartford Acc.	8,451	3,271	38.71
Indemnity Insur..	16,236	4,724	29.10
Legal & General .	11.692	275	2.35
London Assur. ..	6,856	3,863	56.34
Lumbermen's Mut.	36,513	9,024	24.71
Maryland Cas. ...	22,053	4,921	22.32
Metropolitan Cas.	5,079	881	17.35
Metropolitan Life	245,301	80,817	32.95
North Amer. Acc.	2,183	559	25.61
Occidental Life ..	195	......	....
Ocean Acc. & Gr.	111,679	40,000	35.82
Pearl	5,756	1,375	23.89
Prudential Assur.	51,465	15,727	30.56
Prudential Ins. ..	29,724	—23	....
Toronto Gen.	23,924	6,946	29.03
Travelers Insur. .	543,710	194,474	35.77
Union of Canton .	41,709	20,739	41.72
Wawanesa	221	—3	....
Wellington	437	438	100.23
Zurich	57,636	33,090	57.41
Grand total, 1941..	3,305,485	1,224,114	37.03
1940..	3,119,922	1,188,694	38.10

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH Chief Agent
CONCOURSE BUILDING
TORONTO

Fire Insurance Experience

(Continued from page 12)

(A)—Group Experience:	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	Ratio of losses incurred to prems. earned 1941 %	1940 %	1939 %	Ratio of losses incur. inc. adjust. exps. as % of prems. earn. 1938 %	1937 %
Industrial Mutual	7,660	8,243	2,442	29.63	13.94	845.39	16.83	46.61
State Mutual	......	......	......	....	16.78	28.78	38.75	53.77
Mechanics Mutual	......	......	......	....	16.78	28.77	38.57	53.77
Enterprise Mutual	......	......	......	....	16.78	28.77	38.57	53.77
Rhode Island Mutual ..	......	......	......	....	16.78	28.77	38.57	53.77
American Mutual	......	......	......	....	16.87	28.77	38.57	53.77
Hope Mutual	......	......	......	....	....	49.20	25.12	39.05
Merchants Mutual	......	......	......	....	....	....	....	....
Paper Mill Mutual	......	......	......	....	....	....	18.56	37.54
Total New England Mut	1,021,940	868,224	328,737	37.86	15.08	50.29	27.23	48.68
Grand Total Mutual Cos.	8,737,308	8,180,565	3,536,054	43.23	37.08	....	....	....

Non-Board Companies

(A)—GROUP EXPERIENCE:	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	1941 %	1940 %	1939 %	1938 %	1937 %
48—Shaw & Begg Group:								
Wellington	281,222	262,796	97,159	36.97	34.97	39.68	42.15	31.62
Federal Fire	239,820	223,678	89,575	40.05	29.14	41.90	41.32	41.45
Merchants' Fire Assur. .	143,196	136,805	48,558	35.49	29.28	26.95	35.45	29.20
Pacific Fire	137,461	133,587	78,218	58.55	50.83	23.80	92.84	43.83
Consolidated	126,445	113,814	39,172	34.42	35.08	41.40	38.17	34.21
Millers National	109,840	100,746	50,273	49.90	54.20	65.66	48.54	48.32
Lumbermen's Insurance	82,532	69,313	30,012	43.30	72.81	29.53	25.89	56.88
Bankers & Shippers ...	72,887	69,184	38,514	55.67	35.94	30.48	58.75	42.72
Jersey Insurance	44,305	47,723	17,934	37.58	24.92	31.52	40.56	34.44
Total	1,237,688	1,157,646	489,415	42.28	38.09	37.31	45.86	35.53
49—Massie & Renwick Group:								
Dominion Fire	325,100	295,651	100,965	34.15	26.75	30.55	29.35	27.76
Firemen's Ins.	244,926	194,093	84,387	43.48	32.45	30.64	46.36	42.07
Northwestern National .	147,172	134,442	56,627	42.12	48.15	28.06	31.70	36.68
National Ben Franklin .	128,716	128,020	41,306	32.27	37.04	28.47	32.57	38.70
Ensign Insurance	74,077	67,145	20,153	30.01	30.22	31.18	31.95	27.51
Girard Fire & Marine ..	36,214	31,131	5,513	17.71	19.86	24.70	35.54	48.67
Total	956,205	850,482	308,951	36.33	33.20	29.63	33.89	34.68
50—Corroon & Reynolds Group:								
American Equit. of N. Y.	230,702	197,750	105,388	53.29	57.16	58.14	68.82	45.10
New York Fire	217,515	193,305	111,639	57.75	40.53	52.48	84.21	52.73
Merchants & Manufac. .	202,554	184,321	93,268	50.60	54.20	68.55	64.17	68.92
Total	650,771	575,376	310,295	53.93	50.71	59.89	71.29	55.02
51—J. E. Clements Inc. Group:								
Fire Ins. of Canada	332,923	298,651	115,442	38.65	41.05	45.81	48.60	42.17
Nationale of Paris	230,903	267,294	124,761	46.68	49.83	56.28	48.49	41.64
Excess	61,666	54,379	25,757	47.37	33.19	36.93	50.98	51.89
Total	625,492	620,324	265,960	42.87	44.87	51.00	66.00	42.36
52—Canadian General Group:								
Canadian General	312,220	243,143	86,468	35.56	32.98	43.26	43.32	31.87
Toronto General	217,041	198,790	70,613	35.52	32.98	43.19	43.15	31.89
Total	529,261	441,933	157,081	35.54	32.98	43.23	43.23	31.88
53—Canadian Fire Group:								
Canadian Fire	387,406	356,099	114,023	32.02	31.44	23.65	26.35	26.18
Canadian Indemnity ...	132,615	108,129	36,389	33.65	33.72	25.71	29.11	29.50
Total	520,021	464,228	150,412	32.40	32.01	24.21	27.11	27.04
54—Willis Faber Group:								
Provincial Ins.	308,552	305,025	154,233	50.56	58.74	53.12	47.17	38.09
Cornhill Ins.	209,771	200,929	94,999	47.28	48.80	44.76	50.78	44.77
Total	518,323	505,954	249,232	49.26	54.87	49.87	48.37	39.78
55—General Accident Group:								
General Acc. F. & L. ..	324,673	296,426	203,168	68.54	26.44	34.55	43.54	29.78
General Acc. of Canada .	102,035	88,579	30,627	34.58	37.13	28.50	37.28	30.80
Scottish Canadian	54,358	51,358	26,464	51.53	26.19	30.58	41.58	32.69
Total	481,066	436,363	260,259	59.64	28.50	32.67	42.13	30.41
56—Dominion of Canada Group:								
Dom. of Canada Gen. ..	204,456	186,244	40,584	21.79	27.30	23.78	26.08	20.99
Casualty Co. of Canada .	54,644	47,250	8,834	18.69	22.31	25.56	34.98	24.70
Total	259,100	233,494	49,418	21.16	26.36	24.11	27.63	21.61
57—S. Meunier Group:								
Northeastern	87,592	74,362	35,481	47.71	39.10	47.39	....	....
Metropolitan Fire	53,709	29,917	10,865	36.32	40.54	42.59	59.80	23.47
Rossia Insurance	......	......	......	....	....	....	62.06	33.16
Total	141,301	104,279	46,346	44.44	39.43	45.96	61.19	33.28
58—P. J. Perrin Group:								
Globe & Republic	56,234	59,479	25,356	42.63	46.64	151.00	....	....
La Fonciere	26,476	23,715	11,694	49.31	48.05	69.01	57.33	47.59
Sussex Fire	......	......	......	....	....	78.88	78.33	49.64
Total	82,710	83,194	37,050	44.53	47.60	76.72	63.10	48.22
(B)—59—Individual Companies:								
International	803,112	734,686	480,357	65.38	47.12	62.94	89.50	61.08
Halifax Fire	618,834	498,331	279,510	56.09	40.06	46.69	42.94	29.99
Grain Ins. & Guar.	517,854	504,492	121,420	24.07	17.03	14.97	36.56	21.22
Helvetia Swiss	202,543	191,550	110,296	57.58	60.88	71.12	69.53	....
General of America	203,422	188,510	29,748	15.78	23.75	27.28	52.28	34.49
Milwaukee Mechanics ..	192,435	140,182	109,394	78.04	41.01	13.63	....	....
Union of Paris	184,889	220,830	110,998	50.26	45.47	51.95	77.83	48.62
Mississiquoi & Rouville*	152,416	139,028	66,882	48.11	52.07	....	....	....
American Reserve	124,473	130,965	51,841	39.58	47.27	61.16	59.66	51.53
North Star	121,238	107,563	74,237	69.02	48.40	46.84	78.85	54.91
Switzerland	177,560	250,480	92,761	37.03	47.45	59.67	55.70	48.18
Baloise Fire	107,592	109,735	65,426	59.62	51.04	48.83	48.42	57.62
American Home Fire ...	93,483	84,386	30,154	35.73	53.37	57.73	57.06	54.71
Federal Insurance	72,938	39,838	16,268	40.84	10.77	....	....	....
Nat. Retailers	62,318	52,172	20,230	38.78	24.93	19.10	73.21	....
Pilot*	61,113	42,606	16,903	39.67	32.33	29.57	42.52	23.28
Pool	56,441	58,966	6,789	11.51	....	....	....	....
Drapers and General	31,911	19,276	7,239	37.55	14.34	....	....	....
Bankers & Traders	28,034	29,828	6,351	21.29	30.51	26.13	20.59	38.43
Victory	12,132	3,011	1,807	60.01	....	....	....	....
Buffalo	11,562	7,254	3,012	41.52	78.27	....	....	....
Queensland	9,054	8,023	423	5.27	22.37	52.59	24.58	45.52
Automobile	901	587	......	....	....	6.04	....	7.69
Clare Mutual	651	977	......	....	2.28	....	....	....
Commerce Ins.	......	......	......	....	6.14	27.88	31.02	43.78
Providence of Paris	......	......	......	....	69.66	57.03	70.93	53.06
Tokio Marine & Fire ..	—5,922	......	......	....	18.78	57.59	65.51	40.97
Total	3,840,984	3,563,276	1,702,046	55.55	40.76	50.71	52.90	41.21

*Provincial licensed company.

Total Non-Board Joint Stock	9,842,422	9,036,549	4,026,465	48.87	39.94	45.93		

Reciprocal Companies

	Net Prems. Written $	Net Prems. Earned $	Net Losses Incurred $	1941 %	1940 %	1939 %	1938 %	1937 %
60—Lumbermen's Und. Alliance Group:								
Lumbermen's U. Allian.	128,237	122,155	14,870	12.17	66.92	47.78	14.92	67.09
Underwriters' Exchange	9,020	7,466	370	4.96	41.86	28.63	1.82	....
Total	137,257	129,621	15,240	11.76	65.35	46.60	14.17	62.28
61—Assoc. Reciprocal Underwriters Group—Ernest W. Brown, Inc.:								
Affil. Underwriters	172,150	140,930	170,605	121.06	28.83	24.73	77.45	21.68
Individual Underwriters	93,091	82,707	156,310	188.99	3.61	22.57	36.17	25.07
N. Y. Reciprocal	60,691	56,958	99,638	174.93	5.25	23.97	9.27	5.82
Metropolitan Inter-Ins. .	60,421	51,695	16,799	29.12	5.36	6.16	48.32	28.86
Fireproof Sprinklered ..	6,268	8,786	340	3.87	5.10	3.23	1.94	7.71
Total	392,621	347,076	443,692	127.84	14.30	20.56	47.65	19.97
62—Canners Exchange Group:								
Canners Exchange	36,864	34,025	......	....	.40	....	272.09	2.28
Warner Reciprocal	1,525	2,234	41	1.84	10.10	.27	....	....
Total	38,389	36,259	41	0.11	1.05	....	254.54	2.17
63—Individual Companies:								
American Exchange U.	30,663	27,085	1,563	5.77	4.98	59.61	5.24	19.92
Total reciprocals	598,930	540,041	460,536	85.28	26.05	....	....	....
64—Lloyd's Underwriters:*	1,888,115	1,674,819	1,207,824	72.12	65.79	....	....	....
Grand Total. 1941	52,952,530	46,096,840	19,858,611	37.49	38.07	38.36	42.94	36.98
Grand Total, 1940	45,197,182	45,017,636	17,139,215	....	38.07	38.36	42.94	36.93

*Provincial license, official figures.

Theft

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Surety			
American Surety.	3,117	—53	....
Canadian Surety .	15,358	4,065	26.47
	18,475	4,118	22.29
British-American Western			
British America .	12,992	3,846	29.60
British Canadian .	8,338	2,221	26.64
British Empire ..	4,746	1,439	30.32
Imp. Guar. & A..	7,120	2,167	30.44
Western Assur. ..	22,586	7,077	31.33
	33,196	16,750	50.45
Canadian Fire			
Canadian Fire ...	9,311	1,508	16.20
Canadian Indem. .	61.273	22,378	36.52
	70,584	23,886	33.83
Canadian General			
Canadian General	22,789	7,302	32.04
Toronto General .	45,272	6,943	15.34
	26,364	8,182	31.03
Commercial Union			
Canada Acc. & F.	11,523	2,927	25.40
Union Assur.	4,319	1,484	34.36
Commercial Union	7,676	5,155	67.16
	23,518	9,566	40.67
Dominion of Canada			
Casualty Co.	14,830	3,757	25.33
Dom. of Can. Gen.	43.853	13,499	30.78
	58,683	17,256	29.38
General Accident			
Gen. Acc. of Can..	46,066	14,061	30.52
Gen. Acc. F. & L.	12,144	965	7.95
	58,210	15,026	28.73
London & Lancashire			
Law Union & R.	2,053	64	3.12
Lon. & L. G. & A.	15,528	2,924	18.83
	17,581	2,988	16.99
North British & Mercantile			
North Brit. & M. .	16,413	3,919	23.88
Occidental Fire ..	2,431	238	9.71
Railway Pass.	5,685	1,242	21.85
	24,549	5,399	21.99
Northern			
Lond. & Scottish .	2,305	381	16.53
Northern Assur. .	29,519	3,446	11.67
World Marine	8,736	1,069	12.24
	40,560	4,896	12.07
Norwich Union			
Canada Security .	4,546	164	3.61
Norwich Union ..	24,323	3,996	16.43
	28,869	4,160	13.92
Phoenix of London			
Union Marine	2,628	559	21.27
Lond. Guar. & A.	21,645	2,650	12.24
Phoenix Assur. ..	18,392	4,584	24.92
	42,665	7,793	18.26
Royal Liverpool & L. & G.			
Globe Indem.	42,130	11,235	26.67
Liverp'l & L. & G.	4,733	1,249	26.39
Royal Insurance .	43,310	11,365	26.56
	88,173	23,989	48.78
Sun			
Sun Insurance ...	7,965	2,586	32.47
Imperial Ins.	3,547	1,731	48.80
	11,512	4.317	37.50
United States Fidelity			
Fidel. Ins. of Can.	32,004	11,056	34.55
U. S. Fid. & Guar.	59,858	9,383	15.68
	91,862	20,439	22.24
Yorkshire			
London & Prov. .	6,084	364	5.98
Yorkshire	16,725	4,943	29.55
	22,809	5,307	23.26
(B)—Individual Companies:			
Alliance Assur. ..	—53	358	....
Anglo-Scottish ...	1,795	900	50.14
Arex Ind.	783	38	4.85
Atlas	11,108	1,141	10.27
Brit. Northwest'n.	3,884	1,265	32.57
Century Ins.	2,532	2,000	78.99
Comm. Casualty .	9,278	2,322	25.13
Continental Cas. .	4,563	972	21.30
Economical	540	......	....
Employers' Liab. .	60,367	14,426	23.90
Employ. Reins. ..	2,501	180	7.20
Federal	10,201	1,723	16.89
Fidel. & Casualty	472	......	....
Gen. Cas. of Am.	11,395	2,336	20.50
Gen. Reinsurance	6,879	3,546	51.55
Gen. Security ...	16,136	6,366	39.45
Grain Insur.	17,147	2,588	15.09
Gt. Am. Indem'y.	6,825	1.785	26.15
Guardian Ins. ...	42,304	14,356	33.93
Guildhall	4,148	1,616	38.96
Halifax	23,459	6,388	27.23
Hartford Accid. ..	19,511	7,471	38.29
Indemnity Insur. .	27,556	6,033	21.89
Legal & General .	9,958	1,359	13.65
Liberty Mutual ..	539	......	....
London Assur. ...	2,131	556	26.09
Lumberm's Mut. .	3,382	1,763	52.13
Maryland Cas. ...	31,225	11,915	38.16
Metropolitan Cas.	17,344	5,702	32.88
Northwest Cas'lty	3,554	71	2.00
Ocean Accident ..	26,527	4,431	16.70
Pearl	9,067	5,191	57.25
Prudential Assur.	22,331	8,312	37.22
Queensland	1,984	......	....
Reliance	1,973	1,185	60.06
Royal Exchange .	22,716	8,784	38.67
Travelers Indem..	118,258	18,204	15.39
Union of Canton .	31,936	13,790	43.18
U. S. Guarantee ..	3,804	1,238	32.54
Wawanesa	3,575	880	24.62
Zurich	27,028	7,420	27.45
Grand total, 1941 .	1,344,556	348,650	25.93
1940 .	1,384,369	513.662	37.09

Forgery

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Gen. .	1,228	41	3.34
Canadian Indem.	4,443	174	3.92
Canadian Surety	2,345	79	3.37
Fidelity Insur. .	....	300	...
Globe Indemnity	2,322	251	10.81
Grain Insurance .	2,766	68	...
Halifax	97	....	...
Indemnity Ins. .	14,329	—2,499	...
Liv. & Lon. & G.	256	27	10.47
Maryland Cas. ..	1,144	....	...
Royal Insurance.	4,372	627	14.34
U. S. Fid. & Guar.	3,026	—1,343	...
Union of Canton.	686	....	...
Tor. Gen. Ins.	4,431	54	1.22
Total 1941	42,950	—2,267	...
1940	30,385	4,656	15.31

Fidelity

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Surety			
Canadian Surety .	75,842	11,004	14.51
American Surety .	17,033	—514	....
Anglo-Scott.	344	......	....
	93,219	10,490	11.25
Br. Am. Western			
British America..	7,457	268	3.59
British Canadian .	2,722	20	0.73
British Empire ..	1,856	48	2.59
Imperial G. & A.	45,373	205	0.44
Western Assur. .	5,740	—126	....
	63,148	415	0.65
Canadian Fire			
Canadian Fire ...	10,946	1,002	9.15
Canadian Indem. .	93,214	24,873	26.69
	104,160	25,895	24.87
Canada General			
Can. General	30,010	1,900	6.33
Toronto General .	32,288	9,326	28.88
	62,298	11,226	18.04
Dominion of Canada			
Casualty Co.	2,917	—880	....
Dom. of C. Gen. ..	58,667	3,713	6.33
	61,584	2,833	4.60
London & Lancashire			
Law Union & Rk.	104	25	....
London & Lanc. .	7,859	—1,579	....
	7,963	—1,554	....
North British & Mercantile			
North Br. & Mer.,	2,644	—40	....
Rly. Passenger ..	3,816	635	16.64
	6,460	595	9.21
Northern			
Northern Assur. .	3,569	607	17.01
Scottish Metropol.	707	—10	....
World Mar. & G. .	1,107	700	63.23
	5,383	1,297	24.09
Norwich Union			
Canada Security .	3,288	2,155	65.54
Norwich Union ..	12,128	1,166	9.61
	15,416	3.321	21.56
Phoenix of London			
Lond. G. & Acc. .	25,043	—1,060	....
Phoenix Assur. ..	5,362	1,352	25.21
Union Marine	1,407	......	....
	31,812	292	0.91
Royal Liverpool & London & Globe			
Globe Indemnity.	30,532	6,248	20.46
Liverpool L. & G.	4,367	713	16.33
Royal Insurance ..	43,598	5,796	13.29
	78,497	12,757	16.27
Sun			
Sun Insur. Office.	1,113	602	54.09
Imperial Ins. Off.	266	......	....
	1,379	602	43.65
U. S. Fidelity			
Fidel. Ins. of Can.	43,959	6,515	14.82
U. S. Fidel. & G. .	222,188	40,685	18.31
	266,147	47,200	17.73
Yorkshire			
London & Prov. .	324	......	....
Yorkshire	2,464	......	....
	2,788	......	....
(B)—Individual Companies:			
Alliance Assur. ..	......	1,965	....
Canada Accident.	11,010	2,603	23.64
Century Insur. ...	2,062	—76	....
Comm. Casualty .	1,681	2,040	121.36
Consolidated	845	47	5.56
Econ. Mutual	207	......	....
Employers' Liab. .	79,185	9,369	11.83
Employ. Reinsur.	760	537	70.66
Fidelity & Cas. .	141	......	....
Gen. Acc. of Can.	28,571	1,296	4.54
Gen. Reinsurance	7,821	229	2.93
General Security .	12,433	6,009	48.33
Grain Insur.	62,713	16,794	26.78
Gt. Amer. Indem.	6,291	1,917	30.47
Guar. Co. of N. A.	79,652	10,937	13.73
Guardian of Can.	26,332	8,328	31.63
Halifax	3,178	116	3.65
Hartford Acc.	1,886	—42	....
Indem. Insur.	41,895	15,275	36.46
Int'l. Fidelity	6,150	876	14.24
Liberty Mutual ..	5,396	......	....
Maryland Cas. ...	12,248	653	5.33
Metro. Casualty ..	1,777	......	....
National Surety .	......	—407	....
Ocean A. & Guar.	22,203	—3,090	....
Pearl	3,656	2,395	65.51
Prudential	2,242	959	42.77
Royal Exchange .	32,781	4,966	15.15
Travelers Indem. .	5,833	......	....
Union of Canton .	8,264	488	5.91
Grand totals, 1941	1,267,467	199,583	15.74
1940	1,247,197	370,126	29.68

Machinery

	Net prems. written $	Net losses incurred $	Ratio %
Boiler Inspection	152,442	44,344	29.09
Gen. Acc. of Can.	75,143	23,379	31.11
Halifax	2,911	1,304	44.80
Hartford Steam Boiler	25,150	1,078	4.29
Lbrman's M. Cas.	101	12	11.88
Maryland Cas. ..	2,126	......	....
Ocean Acc. & G.	61,284	2,503	4.08
Travelers Indem.	2,726	271	9.94
Total 1941	321,883	72,891	22.65
1940	248,604	52,011	20.92

Credit

	Net prems. written $	Net losses incurred $	Ratio %
Amer. Credit Ind.	233,863	16,060	6.87
Total, 1941	233,863	16,060	6.87
1940	223,253	12,039	5.39

Live Stock

	Net prems. written $	Net losses incurred $	Ratio %
British Company			
Yorkshire	775	525	67.74
Totals, 1941	775	525	67.74
1940	1,367	333	24.36
Foreign Companies			
Hartford Livestock	10,022	2,155	21.50
Indemnity Insur. .	9,681	9,876	102.01
Grand Totals, 1941	20,478	12,556	61.31
1940	20,761	9,035	43.52

Weather

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Company			
Totals, 1941	......	......	....
1940	58	None	....
Foreign Companies			
Aetna Insurance .	3,887	None	....
Gen. Ins. of Amer.	6	None	....
Hartford Fire	4,418	2,018	45.68
Home Insurance .	855	2,372	277.43
Grand totals, 1941	9,166	4390	47.89
1940	4,350	1,785	41.03

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British Columbia Branch — VANCOUVER
H. B. LEUTY, Provincial Manager
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C. E. SANDERS, Manager
Fire—Use and Occupation—Rent—Public Liability—Accident—Plate Glass—Automobile—Burglary—Inland Transportation.

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ASSURANCE COMPANY
MERCHANTS and MANUFACTURERS
FIRE INSURANCE COMPANY
(Founded in 1849)
NEW YORK FIRE
INSURANCE COMPANY
Founded in 1832
MEMBERS OF
Corroon & Reynolds
GROUP OF INSURANCE COMPANIES
Licensed by the Dominion Government
HEAD OFFICE: MONTREAL
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Branch Office: Toronto
C. M. Henderson, Manager
Agencies at:
Halifax, Saint John, Winnipeg, Saskatoon, Regina, Edmonton, Calgary and Vancouver

A Comprehensive Reinsurance Service

GENERAL REINSURANCE CORPORATION

Financial Statement, December 31, 1941

ASSETS

Cash in Banks and Offices		$ 2,727,394.57
Investments:		
Bonds	$9,057,182.09	
North Star Reinsurance Corporation Stock	2,073,907.51	
Other Stocks	3,246,478.73	
Mortgage Loans	151,443.75	
Real Estate	27,000.00	
Total		14,556,012.08
Premiums in course of collection (not over 90 days due)		710,115.80
Accrued Interest		75,413.97
Other Admitted Assets		42,768.34
Total Admitted Assets		$18,111,704.76

LIABILITIES

Reserve for Claims and Claim Expenses		$ 7,170,219.07
Reserve for Unearned Premiums		2,518,631.34
Reserve for Commissions, Taxes and Other Liabilities		667,096.64
Catastrophe Reserve		350,000.00
Voluntary Reserve		405,757.71
Capital	$1,000,000.00	
Surplus	6,000,000.00	
Surplus to Policyholders		7,000,000.00
Total		$18,111,704.76

Bonds and stocks owned are valued in accordance with the requirements of the New York State Insurance Department. • On the basis of December 31, 1941 market quotations for bonds and stocks owned (other than stocks of affiliates), Total Admitted Assets would be decreased to $17,957,801.30 and Voluntary Reserve to $151,854.25. • Cash and securities carried at $1,289,860.95 in the above statement are deposited as required by law.

Casualty and Bonding Lines

NORTH STAR REINSURANCE CORPORATION

Financial Statement, December 31, 1941

ASSETS

Cash in Banks and Office		$ 365,349.60
Investments:		
Bonds	$3,286,552.07	
Common Stocks	1,253,274.50	
Mortgage Loans	38,500.00	
Total		4,578,326.57
Balances due from Ceding Companies (not over 90 days due)		520,556.48
Accrued Interest		30,377.79
Total Admitted Assets		$5,494,610.44

LIABILITIES

Reserve for Claims and Claim Expenses		392,870.12
Reserve for Unearned Premiums		2,949,220.17
Reserve for Commissions, Taxes and other Liabilities		47,586.03
Capital	$ 600,000.00	
Surplus	1,504,934.12	
Surplus to Policyholders		2,104,934.12
Total		$5,494,610.44

Bonds and stocks owned are valued in accordance with the requirements of the New York State Insurance Department. • On the basis of December 31, 1941 market quotations for bonds and stocks owned, Total Admitted Assets would be decreased to $5,428,468.97 and Surplus to $2,038,792.65. • Securities carried at $424,036.80 in the above statement are deposited as required by law.

Fire and Allied Lines

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Your Money
has given
Triple Service

To Our Policyholders:

In purchasing the $785,000,000 Life Insurance in force in this Company you have rendered three valuable services to your country.

1. The strength of the nation has been increased by reinforcing the financial security of your homes.

2. Greater production of war material has resulted because your savings have meant a voluntary restriction on buying non-essential goods.

3. Large purchases of Victory Bonds have been made possible as your premiums accumulated for investment.

When you buy life insurance you not only safeguard yourself, but you help your country as well.

London Life
Insurance Company
Head Office - London, Canada

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including club market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 30

Quotations: *1941. †1940. ‡1939. §1938.
* On account of arrears. a Participating. † Paid in 1941. b Net after corporate income tax.

Mining Stocks

Week Ending March 30

[illegible]

* Quotations for 1941. † 1940.

Oil Stocks

[illegible]

Vancouver Stocks

[illegible]

Oil Quotations

Par			Company	Sales				
No	.05½	.03½	Royal Canadian	500	.03½	.03½	.03½	.03½
No	18.63	16.25	Royal Crest		(.... bid	.... asked)		
No	.05	.03½	Royalite	20	16.25	16.25	16.25	16.25
No	.20	.15	South End		(.03 bid	.... asked)		
1	*.05½	.02½	Southwest Pete		(.15 Mar. 9)			
25c.	.09½	.08	Spooner		(.03½ bid	.05½ asked)		
No	.04½	.03½	Sunset Oil		(.06½ bid	.07½ asked)		
No	.04	.04	United		(.03 bid	.... asked)		
1	.20	.15	Vanalta	500	.04	.04	.04	.04
			Vulcan		(.15 bid	.... asked)		

* Quotations for 1941. † 1940.

Winnipeg Stocks

(Transactions from Mar. 23 to Mar. 28)

	Sales	High for period	Low for period	Close Mar. 28
Canadian Fire	8	80.00	80.00	80.00
Dominion Envelope, pref.	15	97.00	97.00	97.00
Great-West Life	10	200.00	200.00	200.00
Home Investment	70	27.00	27.00	27.00
Sachigo River	4	4.50	4.50	4.50
United Grain Growers	40	12.00	11.75	11.75

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Fed. Grain, c.	.35	1¼
Beav. Lumber, c	3	5	*Grouped Inc.	..	4⅛
Beav. Lumber, p	100¾	..	*Nor. C. Mtge. un	5½	..
Can. Indemnity	150	..	North. Trusts	..	7½
Can. Airways	1	..	Traders Bldg.	44	..
Corr. P. Box	.60	..	West. Brew.	1⅞	2⅛
Cres. Cream., p.	..	12	West. Grain, p.	..	7
Dom. Envelope c	..	9½	West. Steel	5¾	8¾

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Mar. 31	8,600	5,600	129,000	......
Mar. 30	4,900	7,100	142,000	12,760
Mar. 28	1,900	1,200	86,000	4,800
Mar. 27	6,700	13,700	182,000	15,350
Mar. 26	10,000	5,800	103,000	9,310
Mar. 25	10,500	3,900	166,000	7,500

Government Bonds

April 1, 1942 (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
1½	May '42	100	...	...
2	June '42	100¼	...	...
3	Oct. '42	101½	101½	.41
2½	June '43	101½	101¾	1.04
5	Oct. '43	105	105½	1.47
2	June '44	100¾	101¼	1.42
a2½	Jan. '44	98¾	99½‡	2.39
4½	Oct. '44	106¾	107¼	1.62
2½	Nov. '44	102	102¼	1.52
a2½	Aug. '45	98¾	99½‡	2.73
a4	Oct. '45	103½	104	b1.44
2	Mar. '45	100¼	101	1.65
2	Dec. '46	99¼	99¾	2.05
4½	Feb. '46	108¾	109¼	1.96
3½	June '49	102¾	103¼	b2.36
3½	Oct. '49	102	102¾	b2.39
3½	Nov. '51	101¾	102¼	b2.84
3½	Feb. '52	101½	102½	‡2.93
5	May '52	100½	101½ ‡	...
4	Oct. '52	105¾	106½	b2.75
3	June '51	99½	100¼	2.96
3	Oct. '52	99	99¾	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	106¾	107½	b2.80
4½	Nov. '57	107½	108½	b2.90
3	June '58	99½	100	3.00
4½	Nov. '58	108¾	109½	b2.92
4½	Nov. '59	109¾	110½	b2.99
a4	Oct. '60	104½	105½	b3.29
a3½	Jan. '61	97	98½	‡3.36
3½	June '66	101	101¾	b3.10
a3e	Jan. '67	94½	95½	‡3.28
a3e	Nov. '68	94½	95½	‡3.27
†3	Perpet'l.	94½	95½	3.15

Dominion Guarant'd Bonds — Can. Nat'l. Railways:

%	Due	Bid	Ask.	Yld.
2	Feb. '43	100¼	101	.95
2½	Jan. '46	100¾	101½	1.85
3	May '44	102½	103½	1.50
3	Dec. '50	99½	100¼	2.93
3	Feb. '53	98½	99½	3.05
3	Jan. '59	98	99	3.08
*4½	Sept. '51	116	117	2.47
*4½	Feb. '56	116¾	117¾	2.95
4½	July '57	116¾	117¾	3.05
4½	June '55	118	119½	2.98
5	Feb. '54	117¾	118¾	3.12
*5e	July '69	117¼	118¼	...
*5e	Oct. '69	120	121½	b2.48
*5e	Feb. '70	120	121½	b2.56

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Yld.
3	Jan. '62	99¾	101	2.93

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Yld.
New Brunswick:				
3	Oct. '51	92	94	3.75
3½	Aug. '49	94	96	3.88
3½	June '56	93	95	3.95
c4	Nov. '47	103	105	b2.55
c4½	Apr. '61	104½	107½	3.94
c5	Jan. '60	108	111	4.13
Nova Scotia:				
3	Jan. '52	96	98	3.23
3½	June '56	98	100	3.25
3½	Nov. '50	99½	101½	3.30
c4½	Sept. '52	107	109	b2.73
c4½	Nov. '60	110	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99	100	b3.00
3	Nov. '50	99	100½	3.00
3½	Nov. '51	100	102	b2.95
3½	May '55	99½	102	b3.02
*4	June '62	107	110	3.32
4½	June '50	109	110	3.13
*4½	Jan. '62	114	116	3.39
5	Oct. '48	110½	111¾	3.00
*5	Dec. '60	120½	122½	3.38
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100	101	b3.10
3½	Apr. '47	102½	104½	2.54
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	98	99½	3.10
3½	Mar. '48	99	100½	3.15
3½	Mar. '59	99	100½	b3.45
4	Nov. '52	102½	104	b3.46
3½	Feb. '55	101	102½	b3.45
4½	Aug. '58	105	107	3.84
4½	Jan. '63	110½	112½	3.84
Alberta:				
4½	Oct. '51	70		
4½	Oct. '56	66	••	d
4	Dec. '54	64	••	d
*5	Oct. '59	69	••	d
c5½	Apr. '52	70	••	d
6	Mar. '47	72	••	d
British Columbia:				
c4	Dec. '57	101	103	3.75
*4½	Jan. '51	104½	107½	3.50
c4½	Oct. '53	105½	108½	3.59
c5	Apr. '54	111	113	3.65
5½	Feb. '45	102½	104	4.00
6	Feb. '47	105½	107	4.37
Manitoba:				
c4	Dec. '57	96	98	4.17
c4½	Dec. '56	99	101	4.41
*5	Dec. '59	102	105	4.59
5½	Oct. '55	102½	104½	5.04
6	Apr. '47	103	105	4.86
Saskatchewan:				
4	Sept. '54	79½	82½	6.01
4	Nov. '60	79	81	5.67
c4½	Oct. '51	88	90	5.88
c4½	Mar. '60	87	90	5.38
5	Aug. '58	89	91	5.86
5½	Oct. '52	93	95	6.16
6	Mar. '52	95	97	6.40

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ‡-Calculated to 1950 average maturity.

Unlisted Stocks

Mar. 31, 1942 (Furnished by A. J. Pattison, Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., pf.	47	52
Andian National	27	29
Anglo C. Tel., A	6½	7½
Atlas Steel	17	19
Brand. Hen., c.	3½	4½
B. C. Pulp, c.	9½	11½
Do., pfd	68	71
B. C. Sugar	63	67
B. C. Tel., 1st p.	105	..
Brown, com.	1½	1½
Do., pfd.	27	29
Burns & Co., A	4	4½
Do., B	2	2½
Can. Co-op. Wl.	8	..
Can. Indust., A	142	..
Can. Ing. Rand	68	72
Can. Mot. L.A.B.	5½	..
Can. Tube, 1st p.	77	81
Chase, A. W., p.	17½	19
Colonial Realty	2½	..
Colonial Steam.	34	37
Corr. Pap. Box c	1	2
Copeland Fl. un.	12½	15
Dunlop T. p. $25	17¾	20
Easy Wash p $10	9¾	11
Galt Brass, c.	9½	..
Goderich Elev.	6	7
Guard. Realty, p	10	..
Guelph Carp., c	16½	18
Gurney Fdry., p	1½	1¾
Hayes Steel, c.	14½	15¾
Hi'land Dairy, p	45	50
Inglis, John	3½	4½
Ingram & Bell, p	92	..
Kingst. Ship., un	37	39
Do., com.	6½	7½
Loblaw, Inc., c.	11½	12½
Minn.&Ont. P. c	4	4½
M'row Screw, p.	101	105
Do., com.	12	16
Morrison Br. un	4	5½
Moirs, Ltd.	18	21
Neilson, Wm., p.	100	••
N. Meth. Ldy., p	61	..
Ont. Tobacco, p.	17	19½
Pac. C. Term., c.	..	6
Prov. Paper, pf.	100	102
Quinte Milk	2½	3½
Stand. Fuel, p.	50	54
Stedman, pf. $50	55	58
Sutton Horsley	¾	1
Tor. Carpet, c.	55	..
Do., pfd.	65	70
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	20	22
Viceroy Mfg., c.	12	••
Trusts & Loan Stocks:		
Brit. Mtge.	120	132
Brockville Tr.	41	..
Capital Tr.	29	32
Comm. Fin., c.	4½	••
Grey&Br. Tr. $50	41	..
Guaranty Trust	100	104
Guelph & O. $50	51	54
Indust. Mtge.	24	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	30	38
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1½	1½
Traders Fin. A c	3	5
Do., A pfd.	57	62
Trusts&Gr., new	30	34
Victoria Trust	65	70
Waterloo Trust	99	••
Insurance Stocks:		
Canada Life	340	370
Brit. Amer.	50	52½
Canadian Fire	80	82
Confed. 30% pd.	125	135
Cons. Fire Cas.	3½	..
Continental L.	30	35
Crown, fully pd.	265	285
Dominion Fire	137	...
D. of Can. Gen.	112½	120
Empire, 25% pd.	5	6
Excelsior 38% pd	70	74
Great-West Life.	200	210
Federal, 25% pd.	52	56
Halifax Fire	14½	16½
Imperial Life	265	280
Manufac. Life	216	221
Monarch Life	33	35
National Life	10	16
Sov. L. 25% pd.	12½	..
Sun Life	225	250
Tor. General	4½	5½
Wellington Fire.	58	..
Western Assce.	37	40
Theatre Stocks:		
Allen's, St. Cath., units	53½	57
Loew's London p	2½	3¾
Mansf. Theat., p	30	32
Para., Kitch., p.	50	..
Do., Oshawa, c	7	9½
Investment Trust Shares:		
Can. Investors	4½	5
Inv. Found. un.	42½	44½
Sec's. Hold., pf.	18	20
United Corp., A	19	..
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	101	..
Gt. Lakes Pr., p	102	105
Int. Util., $1.75 p	8½	13
Do., $3.50 pf.	26	••
Mtl. Isl. Pwr. p.	42	..
Nor. Ont. Pr. p	70	75

Unlisted Mines

Toronto, March 31, 1942

	Bid	Ask
Albany R. Old	.02	.04
New	.05	.10
Amal. K.	.03	.04½
Anoki	.01	.03
Aquarius	.12	.17
Arjon	.02	.03½
Armistice	.03	.06
Argosy	.03	..
Area	.02	.03
Athona n	½	.01½
B. Larder	.02	.03
Brock	.03	.05
Calder B.	..	.03
Canada R.	.06	.09
Cent. M.	.01½	.01¾
Cheminis	.02	.03
Coin Lake	.01½	.02½
Cons. Chi.	.04	.06
Delphine	.05	.06½
DeSantis n	.04½	.07½
Dona Pat.	.01	.02
Eastward	.05	.10
Elmos	.04	.07
Franco	.15	.20
Galor	⅛	1⅛
Goodrock	22⅛	25
Hayes C	.02	.03
Hoyle n	.09	.11
HP Porc	.02	.03
Hutch Lk.	.01	.02
Kewagama	.01	0.3
Kirkland G	½	1½
Kirk T	.05	.08
Lacoma	..	.01
Laguerre	.03	.05
Lake Du	.15	.17
Lake G	.05	.06
Lowery P	.14	.18
Mag Cons	.37	.41
Mag L	.10	..
Martin B	.01	.03
Mat C	.02	.03
Mat Con	.12	.14
McMar	.10	.12
MofH n	.01	.02
Mosher	.03½	.05
McManus	.00½	.02
Nat. M.	.14	.17
Nickel O	.90	1.05
Norbeau	.15	..
Nor 1940	..	.02½
Nor. Mol.	.04½	.06
N. Ribago	..	.01
Numalake	.09	.13
Oklend	.02½	.03½
O'Leary	.03	.04
Opemiska	.05	.07
Orpit	.02	.03
Pascalis	.13	.16
Pontiac	.02	.04
Pelangio	.01	.02½
Polaris	.26	.30
Propriet'	3.25	3.50
Presdor	.02½	.03½
Quebec M	.15	.16
Rand M	.10	.13
Red Lake	.00½	.01½
Ritoria	.01	.02
Rouge	.01	.03
S.A.G.A.	.40	.75
Sachigo	4.50	5.00
Shenango	..	.06
Sheldon	.03½	.04½
Skynner	.01½	.02½
Smelters G	.00½	.01
Springer	.10	.12
Stadacona	.04	..
Thom. L	.09	.11
Un. Mng.	.01½	.04
Wesley	.01	.01½
Y David'n	.13	.16

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Mar. 31, 1942

Public Utility Issues: Int. Rate % — Due — Bid Mar. 31 — Asked — Bid Mar. 24

[illegible]

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Mar. 31, 1942, and change in bids, from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32½	35	—½
Atlas Steels 7% pfd.	105	106½	—½
*Can. Gen. Rubber pfd.	17	22½	—1½
Can. Mach. new c.	8½	12	—½
C.P.R. 4% pfd. (£ par)	1.85	2.35	+.05
Capital Wirecloth pfd.	18½	22½	—½
Cawthra Apts. pfd.	2½	..	+½
Century Finance c.	..	28½	unch
Claude Neon pfd.	1.25	2.25	—½
Comm. Life 10% pd.	6.00	7½	—.10
Dom. Alloy Steel pfd.	.05	.25	—.05
Do., com.	.05	.25	—.05
Dom. Life 70% pd.	180	206	+1
Dover Industries	6	6¾	—½
Eastern Steel pfd.	20½	20¾	+½
†Ft. Wm. Hotel Units	45	49½	—½
Hart Battery com.	4	4½	—½
Imperial Varnish com.	8½	9½	+½
Indust. Accept. 5% pfd.	61	66	+1
London & West. Trusts	32	34½	—1
Mont. Deb. Cor. pfd.	2	..	unch
Mt. Royal new com.	3.10	3.75	+.05
Murphy Paint com.	25	9.10	+½
Do., pref.	88½	90	+½
Nat. Hosiery com.	.70	.90	—.05
Do., pfd.	.85	1.10	+.05
†N. Amer. Elevator pfd.	76	..	—1
Do., 2nd pfd.	25½	..	—½
St. John Dry D. 5½% p.	98½	101	+½
Seal-o-Sac	½	¾	+½
Sterling Rubber 6½% p.	..	61	unch
Tip Top Tailors Inc. Un.	11	14	—½
Traders Finance Rts.	9¾	11	+½
Viceroy Mfg. 6% pfd.	22	23¾	+2
Waterloo Mfg. new c.	.85	100	+.10
Wentworth Radio pfd.	2.00	..	—.05
West Can. Hydro pfd.	10½	11½	+½
West. Life 10% pd.	8¾	10	—½
York Trading com.	2.35	5½	+.10

* Issue carries arrears.
† Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Mar. 31	Asked	Bid Mar. 24
*M. & O. Paper	5	'60	100	102	100½
Moirs Ltd.	6	'53	86	90	..
‡Mtrl. Drydocks.	6	'48	82	85	80
Montreal Apts.	4	'54	57	60	57½
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	81½	84½	81
Price Bros.	5	'57	99	102	99½
Do.	4	'57	83	86	82½
*Prov. Paper	5½	'47	105	108	105
Reliance Grain.	4½	'52	96	..	96
†Restigouche Co.	6	'48	101½	..	101½
Rolland Paper	4½	'51	101½	103½	101.
Ruddy, E. L.	6½	'48	90	93	90
Silv. Dairies	6	'66	93½	96½	93½
Simpsons, Ltd.	4½	'51	101	104	101
Smith, Howard.	4½	'51	102	105	102
Stand. Lime	6	'44	98	..	98
Sterling Coal	6	'45	98	101	97½
Stop Shop	3	'47	58	61	57
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	105	...	105
United Gr. Grs.	5	'48	100½	102½	100½
†Western Grain	6	'49	67½	70½	67½

*Payable in Can. or U. S.
†Payable in Can. U. S. or U. K.
*Payable in U. S.
‡Payable in Canada only.
‡Traded without accrued interest.
‡Payable in Can. or U. K.

Municipal Bonds

Mar. 31, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.25	112.25	3.28
Montreal	5	1945	93.00	95.00	6.80
Ottawa	4½	1945	105.00	106.50	2.45
†Quebec	5	1959	109.00	112.00	4.17
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	111.00	114.00	3.18
†Vancouver.	5	1950	100.00	104.00	4.40
Winnipeg	5	1944	100.75	103.87	3.00

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.82	2.00
Can. Amer. Trust	2.75	3.50
Can. Inter. Trust	3.60	4.40
Can. Invest. Fund	2.90	3.20
Corporate Investors	5.19	5.60
Trans-Canada	8.45	9.30

Grain Publicity Obscures Farm Plan

Unlimited Output of Feed Grains and Flax Wanted

From Our Own Correspondent

WINNIPEG.—Publicity is being given by the Dominion Department of Agriculture both in western publications and over the radio to the agricultural production programme for the coming crop year. Such publicity is evidently needed according to reports from various parts of the country in order to secure full realization of the fact that increased production of oats, barley and flax will really represent a response to war needs at the present time.

Emphasis which has been given in discussions at Ottawa to wheat and to wheat income have tended to obscure facts in relation to the needs for other grains. Farmers hardly yet realize that the guaranteed prices for oats, barley and flax are justified on their own account and do not represent an effort to make up deficiencies in wheat income due to a limit on deliveries of that grain.

Flax Situation

The flax situation appears to be fairly well understood and it is realized that farmers are given the opportunity to sell all the flax they can produce at a guaranteed price of $2.25 a bushel. The idea has been grasped that there is an increased demand for linseed oils both in Canada and in the United States because of the fact that oils and fats formerly imported from the Pacific will not be available.

Unlimited Market

But in many cases farmers find it hard to realize that the government really has invited an unlimited production of oats and barley for which a guaranteed price is offered. The difficulty is especially great in connection with oats.

During many years farmers saw the market for oats shrinking as the gasoline motor gradually replaced the horse as a source of power. To a great extent farmers ceased to be interested in the market for oats, especially when they planned their seeding operations they would put in enough to make sure for an adequate feed supply for their own use. If it turned out that they produced a surplus above their own requirements they might sell the surplus or keep it in reserve for future years depending on whether or not the price appeared to be attractive.

They find it hard to believe now that there is to be a market for all the oats they want to grow. In connection with practically all his grain marketing the western farmer has been accustomed to think of the overseas market. He has been familiar with the fact that there were grain surpluses in the United States as well as in Canada and there is little realization of the fact that the United States will probably be able to absorb this year all surplus feed grains produced in western Canada.

Expect Big Flow

Some publicity has been given at Ottawa to the fact that conversations between the governments of Canada and the United States are expected to lead to a large flow of western grain across the international border.

But more is required to make the idea take hold in the west. It may be that official reticence on the subject has been due to the fact that the United States government will be unable to say until this year's crop is actually produced how great a shortage of feed grains actually exist. It is yet to be determined how great a shift of acreage in the United States will be made to soy beans and to what extent the current crop will be called on to make up deficiencies in oil and sugar. Reticence may conceivably be due to the fact that the United States tariff programme in connection with imported grains has not yet been fully formulated. But when it can be done to proclaim the facts in this connection will be a great morale builder among western farmers. It was a blow to their self esteem last year to be told to help win the war by growing less wheat.

The programme with respect to hog raising has made them feel better, not only because they have been getting a reasonably good price for hogs, but also because they were made to feel that they were serving the war effort in producing bacon required by Great Britain. They will also feel better when it is brought home to them that in producing more oats this year, they will be helping to offset the damage that the Japanese have done to the people of this continent by shutting off supplies of materials formerly obtained across the Pacific.

The difficulty of understanding is less in respect to barley than in respect to oats. A smaller number of farmers have been engaged in the production of barley than oats and a much greater percentage of the barley producers have been accustomed to produce for the market. They are well accustomed to the idea that eastern farmers may need western barley to produce hogs. Nevertheless it would be useful to remove the fears that some of them have entertained in the past that more barley might be produced in western Canada than eastern farmers would be able to absorb. Once they realize that western barley is likely to be sent into the United States, they will realize that the Canadian Government really means what it says when it invites farmers to increase barley production and offers them a guaranteed price for an unlimited quantity.

Annual Meetings

Company	Place
anadian Westinghouse	Hamilton
lo-Arg. Elec.	Buenos Aires
ave Lake Gold*	Toronto
eliance Insurance	Montreal
ave Lake Gold†	Toronto
nglo-Can. Telephone	Montreal
ominion Coal	Montreal
om. Steel & Coal	Montreal
ack Waite Mining	Seattle
ascalis Gold Mines▲	Toronto
he Borden Co.	Jersey City
an. Celanese	Montreal
. Smith Paper	Montreal
Steel Co. of Can.	Hamilton
Asbestos Corp.	Montreal
Ault & Wiborg Prop.	Toronto
Canada Malting	Toronto
Can. Steamship Lines	Montreal
Can. Breweries▲	Toronto
J. A. Lang & Sons	Kitchener
Montreal Tramways	Montreal
London Can. Invest.	Montreal

dholders. †Unsecured creditors.
holders. ▲Annual and special.

Mining Dividends

	Rate	Mar. 30	Yield %
-Huronian	▲10c	1.85	..
Interests	†4c	.35	..
r Gold	16c	1.01	15.8
nne	†1c	.03	..
ie Gold	16c	.70	22.8
ns River	3c	.60	..
orne	80c+40c	7.35	*16.3
lan Porc.	12c	.40	..
alo Ankerite	▲30c	1.90	..
olo Gold	$3	5.25	..
. Malartic	8c	.31	..
iboo Gold	16c+1c	1.02	*26
tral Patricia	16c+4c	.99	*20.1
esterville	15c	1.02	..
chenour Willans	6c	.53	11.3
niagas	▲17½c	1.05	..
niaurum	16c	.66	24.2
ns. Smelters	$1+$1.50	38.00	*6.6
lnite	▲6c	.35	..
ome Mines	$1.20	12.50	..
ast Malartic	5c	1.45	..
alconbridge	20c	3.00	..
rancoeur Gold	▲4c	.23	..
old Belt	▲2c	.13	..
Grandview	▲1½c	.14	..
Grull Wihksne	†.00½	.02	..
Hallnor	40c	2.00	20
Hard Rock	▲8c	.38	..
Hedley Mascot	8c	.26	..
Hollinger	65c+45c	7.50	*14.6
Howey Gold	▲4c	.14	..
Hudson Bay	$2	25.00	8
Inspiration	▲2c	.25	..
Inter. Nickel, com.	▲$2	31.50	6.3
Island Mountain	▲18c	.96	..
Jason	4c	.19	..
Kerr-Addison	▲35c	3.30	..
Kerr-Addison	5c	.22	..
Kerr Lake	5c	.50	..
Kootenay Belle	▲8c	.17	..
Lamaque Gold	40c+15c	3.20	*17.2
Lake Shore	80c	7.25	11
Leitch	8c	.43	..
Little Long Lac	▲20c	.99	..
Macassa	32c+3c	2.35	*14.9
Madsen R. Lake	▲3c	.43	..
Malartic Gold	10c	1.43	..
McGillivray Coal	2c	.22½	..
McKenzie Red L.	12c	.70	17.2
Moneta	8c	.26	..
McIntyre-Porc.	$2.22+$1.11	37.50	*8.8
MacLeod-Cockshutt	10c	1.30	..
Naybob Gold	4c	.14½	..
Negus	2½c	.32	..
Nipissing	15c	.86	17.4
Noranda	$4	43.00	9.3
North Empire	▲40c	3.75	..
O'Brien Gold	3c	.58	..
Pamour Porc.	18c	.58	..
Pato Cons.	20c+2c	2.00	*11
Pend Oreille	†6c	1.25	..
Perron Gold	16c+4c	1.10	*18.1
Pioneer, B.C.	40c	1.51	26.4
Pickle Crow	30c	1.85	16.2
Placer Develop.	$1.20	8.37	14.4
Premier	8c	.38	21
Preston E. Dome	20c	1.91	10.4
Privateer Mines	12c+4c	.30	..
Quebec Gold	2c	.20	..
San Antonio	14c+6c	1.65	*12.1
Sheep Creek	16c+1c	.72	*23.6
Sherritt Gordon	10c	.73	..
Sigma Mines	30c	4.95	..
Silbak Premier	16c	.60	26.6
Siscoe	8c	.36	22.2
Sturgeon River	2c	.11½	..
Sudbury Basin	2½c	1.25	..
Sullivan Cons.	▲8c	.53	14.5
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.30	15.3
Teck-Hughes	40c	1.70	23.5
Toburn	12c+4c	.88	*18.1
Upper Canada	▲14c	.79½	..
Ventures	▲20c	3.15	..
Waite Amulet	40c	4.05	..
Wendigo	3c	.13	..
Wright-Harg.	40c+20c	1.95	..
Ymir Yankee	▲2c	.03⅛	..

▲Paid in 1941. *Yield including bonus.
†Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Alta. W. Pres., p.	$1.75	Apr. 1	Mar. 27
Ault & Wiborg, p.	$1.37½	May 1	Apr. 15
Bralorne Mines	20c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
Bell Telephone	$2	Apr. 15	Mar. 23
B. C. Power, A	50c	Apr. 15	Mar. 31
Brant Cordage, p.	32½c	Apr. 15	Mar. 20
Brew. & Distillers	▪50c	May 20	Apr. 30
Do., extra	▪10c	May 20	Apr. 30
Bathurst Pr., A	25c	June 1	May 15
Do., extra	25c	June 1	May 15
Biltmore Hats	15c	Apr. 15	Apr. 9
B. C. Tele., pfd.	$1.50	Apr. 1	Mar. 17
Do., 2nd pref.	$1.50	May 1	Apr. 16
Can. Nor. Pwr.	▪15c	Apr. 25	Mar. 31
Do., pref.	▪$1.75	Apr. 15	Mar. 31
Can. Min. Eq., c. pf.	10c	Apr. 15	Mar. 3
Canada Iron	$3	Apr. 15	Mar. 31
Do., pref.	$3	Apr. 15	Mar. 31
Can. Bk. of Comm.	$2	May 1	Mar. 31
Can. Gen. Invest.	▪12½c	Apr. 15	Mar. 31
Can. Silk Prod.	37½c	Apr. 1	Mar. 14
Can. Tube & Stl., p.	$1.50	Apr. 15	Apr. 8
Canadian Oil, c.	25c	May 15	May 1
Canadian Car, pfd.	44c	Apr. 10	Mar. 20
Can. Converters	50c	Apr. 30	Mar. 28
Cockshutt Plow	25c	June 18	June 4
Confederation Life	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Indust's., A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Cochenour Willans	3c	Apr. 20	Apr. 1
Com. Alcohols, c.	5c	Apr. 15	Mar. 31
Com. Alcohols, pfd.	10c	Apr. 15	Mar. 31
Coll'gwd Term. p., c.	*25c	Apr. 20	Apr. 10
Can. Bronze	37½c	May 1	Apr. 10
Do., pref.	$1.25	May 1	Apr. 10
Can. Fairbanks, p.	$1.50	Apr. 15	Mar. 31
Can. Marconi	4c	June 1	Apr. 15
Can. W. Nat. Gas	$1	Apr. 23	Apr. 20
Can. For. Invest., c	70c	May 1	Apr. 15
Dominion Bank	$2.50	May 1	Apr. 15
Dist. Seagrams, p.	†$1.25	May 1	Apr. 15
Dome Mines	▪40c	Apr. 20	Mar. 31
Dominion Tar, p.	$1.37½	May 1	Apr. 15
Dom. Textile, p.	$1.75	Apr. 15	Mar. 16
East. Steel Prod., c.	25c	June 1	May 15
Famous Players	25c	Apr. 27	Apr. 11
Foundation Co.	25c	Apr. 18	Mar. 31
Do., extra	25c	Apr. 18	Mar. 31
General Trust, p.	$1.25	Apr. 15	Mar. 31
Gordon & Belyea, A	$1.50	May 1	Apr. 25
Do., B	30c	May 1	Apr. 25
Do., pref.	$1.50	Apr. 1	Mar. 26
Guaranty Trust	$1.25	Apr. 15	Mar. 31
Gt. Lakes Pwr., pf.	$1.75	Apr. 15	Mar. 31
Gt. Lakes Pap. A, B p	25c	Apr. 15	Mar. 31
Gt. West Sadd., pf.	75c	Apr. 7	Mar. 23
Do., 2nd pref.	75c	Apr. 7	Mar. 23
Guardian Realty, p.	▪50c	Apr. 15	Mar. 31
H. Smith Paper, p.	$1.50	Apr. 15	Mar. 31
Highland-Bell	2c	Mar. 15	Feb. 28
Inter. Bronze	▪37½c	Apr. 15	Mar. 30
Do., pref.	▪37½c	Apr. 15	Mar. 30
Inter. Milling, pf.	*$1.25	Apr. 15	Apr. 3
Inter. Nickel, pfd.	†1¾%	May 1	Apr. 1
Invest. Found., pf.	75c	Apr. 15	Mar. 31
Imperial Bank	$2.50	May 1	Mar. 31
Kirk. Lake Gold	4c	May 4	Apr. 4
Kerr Addison	5c	Apr. 28	Apr. 10
Langleys, pfd.	▪50c	June 11	June 2
Do.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Lamaque Gold	10c	June 1	May 8
Do., extra	5c	June 1	May 8
Maritime Tel.	20c	Apr. 15	Mar. 20
Do., pref.	17½c	Apr. 15	Mar. 20
McColl-Fron., pf.	1.50	Apr. 15	Mar. 31
Massey-Har., new p	31¼c	Apr. 15	Apr. 1
Do.	31¼c	Apr. 15	Apr. 1
Montreal L. H.	37c	Apr. 30	Mar. 31
Moneta Porc.	2c	Apr. 15	Mar. 31
Montreal Tele.	*43c	Apr. 15	Mar. 31
Nan-Dunc Util., c.	25c	Apr. 1	Mar. 15
Nat. Biscuit, c.	†40c	Apr. 15	Mar. 17
N. B. Telephone	12c	Apr. 15	Mar. 31
Nat. Steel Car	50c	Apr. 15	Mar. 31
North Empire M.	10c	Apr. 10	Mar. 27
North. Ont. Power	12c	Apr. 25	Mar. 31
Do., pref.	$1.50	Apr. 25	Mar. 31
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Power Corp., pref.	▪$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	▪75c	Apr. 15	Mar. 31
Pickle Crow	10c	Apr. 30	Apr. 15
Preston E. Dome	5c	Apr. 15	Mar. 31
Premier Gold	2c	Apr. 15	Mar. 16
Proprietary M.	5c	Apr. 29	Apr. 15
Quebec Power	25c	May 25	Apr. 23
Regent Knitting pfd.	†40c	June 1	May 15
Saguenay Pwr., p.	$1.37½	May 1	Apr. 15
Sangamo	25c	Apr. 11	Apr. 7
South. Can. Pwr.	20c	May 15	Apr. 30
Do., pref.	$1.50	Apr. 15	Mar. 20
Steel of Can.	75c	May 1	Apr. 7
Do., pref.	75c	May 1	Apr. 7
San Antonio Gold	7c	Apr. 20	Apr. 4
Do., extra	3c	Apr. 20	Apr. 4
Shaw. W. & Power	22c	May 25	Apr. 23
Silbak Premier	4c	Apr. 25	Apr. 4
Sher.-Williams, ord.	15c	May 1	Apr. 15
Sheep Creek G.	4c	Apr. 15	Mar. 31
Do., extra	1c	Apr. 15	Mar. 31
Simpsons, pref.	$1.62½	May 1	Apr. 18
Sturgeon River G.	2c	Apr. 30	Apr. 15
Stand. Radio, A, B	10c	Apr. 10	Mar. 31
St. Law. Corp. A p.	▪25c	Apr. 15	Mar. 31
St. Law. Paper, pfd.	▪75c	Apr. 15	Mar. 31
Teck Hughes	▪10c	June 1	May 8

TAKES NEW POST

G. C. Hammond has been appointed manager, Montreal office, and director of finance for Cockfield, Brown & Co. Ltd. He has been treasurer since 1934.

Ottawa to Buy Scotia Apples

Marketing Plan for 1942 Assures Growers Increased Income

From Our Own Correspondent

MONTREAL.—Nova Scotia apple growers look forward to a better year.

Provision has been made for sales to the Dominion government of 16.4 million lb. of dried apples, equivalent to 1.2 million barrels, and at a substantial increase in price over that paid a year ago.

The price to be paid by the government for dried apples this year is 24.3 cents a pound. This compares with 20 cents last season. This is expected to work out at about $2.40 a barrel as compared with $2 in 1941.

On that basis the total maximum value of the order will be $2,880,000.

Share Responsibility

For the first time in any of the agreements there will be no guarantee of assistance of any kind for fresh fruit sales. Responsibility for making these as large as possible has been placed on the industry which must satisfy the government of maximum efforts in this direction.

Included in the agreement is the tree removal scheme under which the government will contribute up to $200,000 for the destruction of old and commercially undesirable apple trees. These must be of a minimum diameter of eight inches.

The new bonus is expected to pay $2 for every tree removed. If there are more than 100,000 removed this year, the payment per tree will be slightly lower. About 75,000 trees have been destroyed in the last two years.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.85	$10.75	$9.50
Hogs	15.15	15.35	11.25
Copper, lb.	.12	.12	.12
Cotton, lb.	.2097	.2024	.1135
Sugar, raw, lb.	*.0374	.0374	.0340
Wheat, Man. (bu.)	.78½	.78⅜	.75⅞
Coffee, lb.	*.09⅝	.09⅜	.06¾
Hides	*15½	.15½	.14
Weekly Indices			
U. S. Labor	97.2	97.1	82.0
Wood Gundy	76.8	76.7	69.8
Dow Jones (fut.)	87.66	86.60	63.89
Fishers	103.8	103.6	87.8
Monthly Indices			
Canada (D.B.S.):	115.7	115.4	108.2
Retail (Feb.)†	94.6	94.3	85.2
W'sale (Feb.)	93.6	92.5	80.0
U. S. (Dec.)	155.9	155.2	148.2
Gt. Brit. (Dec.)			

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Dividends Declared (Cont'd)

Toburn Gold	3c	May 22	Apr. 22
Do., extra	1c	May 22	Apr. 22
Third Can. G. In. Tr.	12½c	Apr 15	Mar 31
Do., extra	1½c	Apr. 15	Mar. 31
Tuckett Tob., pf.	$1.75	Apr. 15	Mar. 31
Wendigo Gold	3c	Apr. 15	Mar. 31
Weston, Geo., pf.	$1.25	May 1	Apr. 15
Wilsil	25c	July 1	June 15
West. Grocers	75c	Apr. 15	Mar. 20
Do., extra	$2	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20
Zellers	20c	May 1	Apr. 15
Do., pref.	37½c	May 1	Apr. 15

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board. *Initial.
‡Also 40c payable Sept. 1 and Dec. 1.
*Net after deducting corporate income tax.

Company Reports

Mercury Mills

Sales of Mercury Mills Ltd. in 1941 showed an increase of approximately 18% over 1940, states R. H. Hommel, president and general manager, in the 1941 report. During the year about $111,000 was spent on capital account for modern equipment. All bad debts were charged to current operations. Net profit improved to 82 cents a common share from 77 cents in 1940.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net earnings	452,203	419,144
Less: Bond interest	46,175	46,478
Dirs. fees	6,357	6,524
Legal fees, exec. sals.	28,500	25,400
Depreciation	165,547	157,313
Taxes	100,000	104,000
Prov. for conting.	40,000	18,000
Net profit	65,624	61,429
Add: Prev. surplus	214,384	152,955
Less: Loss sales secs.	550	......
Surplus forward	279,458	214,384
Earned per Share	$0.82	$0.77

No dividends paid.

Working Capital

	1941 $	1940 $
Current assets	1,577,189	1,503,524
Current liabilities	673,051	741,732
Working capital	904,138	761,792

Howard Smith

Howard Smith Paper Mills Ltd., reports a consolidated gross income in 1941 of $5.6 millions, as against $4.5 millions the year before. Most of this gain was absorbed in increased tax provision, so that earnings on the common stock at $2.53 were practically the same as the year before.

During the past year the company spent nearly a million dollars on property, retired $375,000 of serial bonds and improved the net working capital position by $1.6 million.

In discussing the outlook for 1942, Harold Crabtree, president, said there was little doubt that there will be a demand for all products of the pulp and paper industry. Offsetting this, however, were restrictions in the use of certain chemicals and materials and higher manufacturing costs. Moreover, he added, there is possibility of a shortage of pulpwood due to labor shortage.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit†	5,535,721	4,446,591
Add: Other income	64,597	67,292
Total income	5,600,319	4,513,883
Less: Directors' fees	2,380	1,585
Bond interest	261,858	273,213
Depreciation	1,432,481	*1,396,937
Tax provision	2,334,067	*1,465,830
Inventory reserve	296,650	138,756
Net profit	1,272,881	1,237,762
Less: Minority interest	60	60
Subs. pref. divds.	......	17
Pref. divds.	430,218	392,177
Surplus for year	842,603	845,508
Add: Prev. surplus (adjusted)	3,993,558	3,228,050
Surplus forward	4,836,162	4,073,558
Earned on Common	$2.53	$2.54
†After:		
Exec. salaries	$82,442	$80,540
Legal fees	897	1,210

Working Capital

	1941 $	1940 $
Current assets	7,665,084	6,374,546
Current liabilities	2,852,140	3,146,887
Working capital	4,812,944	3,227,659

*Adjusted 1940 re depreciation and taxes as per adjustments made in 1941 for 1940.

Balance Sheet Changes

	1941 $	1940 $
Cash	792,245	340,886
Accts. receivable	2,747,099	2,151,382
Inventories	4,120,883	3,806,802
Property	23,916,281	22,969,730
Sub. bonds	1,200,000	1,325,000
Funded debt	5,050,000	5,300,000

M. & O. Paper

First annual report of Minnesota & Ontario Paper Co. since it reorganized in February last year shows sales up $4.5 millions to $22 millions and a substantial increase in net profits.

Balance sheet shows funded debt reduced from $12.2 millions at Mar. 1, 1941, to $9.8 millions at the end of the year with a resulting profit of $604,000 on the bonds redeemed. Cash at the end of last year was greater than total current liabilities and the company also held $1.1 million of government bonds. Inventories are down about $100,000 at $4.6 millions.

It is stated that the $1.6 million provision for taxes and contingencies includes income taxes of $871,281, balance being the rise in reserve for contingencies from $2 millions to $2.8 millions, an increase considered advisable in view of the changes arising out of the last year's reorganization.

Balance sheet and income and surplus account for the Canadian subsidiaries are shown separately as consolidated in the parent company's balance sheet. Details follow below.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net sales	22,029,422	17,598,264
Less: Cost of sales	16,670,765	14,067,981
Gross profit	5,358,656	3,530,284
Less: Selling, admin., etc.	1,966,902	1,829,534
Misc. deductions	13,400	2,412
Net earnings*	3,378,354	1,698,337
Less: Bond interest	560,946	610,000
Tax & conting. prov.	1,594,554	92,086
Net profit & surp.	1,222,854	996,251
Add: Gain on bonds redeemed	604,662	......
Less: Rail line aband.	......	215,019
Pre-reorg. loss†	46,882	......
Earned surplus fwd.	1,874,399	▪

†Net loss for January and February, 1941, prior to reorganization, eliminated.
▪Previous surplus eliminated in 1941 reorganization.

	1941	1940
*Includes following deductions:		
Depreciation	1,215,124	1,189,405
Depletion	290,230	196,983
Earned per share:	$0.91	$0.74

No dividends paid; 1940 earnings for comparative purposes based on 1,344,544 shares outstanding, present capitalization.

Working Capital

	Dec. 31 1941 $	Mar. 1 1941 $
Current assets	11,955,718	11,147,572
Current liabilities	3,166,984	2,180,782
Working capital	8,788,734	8,966,790

Consol. Income and Surplus Account
(Wholly Owned Canadian Subsidiaries)
Year Ended Dec. 31, 1941

	$
Net sales	7,483,102
Less: Cost of sales	6,260,333
Expenses	327,353
Net earnings	895,416
Add: Other income	27,463
Less: Other deductions	14,183
Inter. co. int. & chgs.	618,563
Income taxes	241,454
Net profit	48,679
Working capital	3,158,007

Supertest

Sales of Supertest Petroleum Corp. were expanding in the first half of last year but introduction of rationing at mid-year curtailed the busy summer months, states J. G. Thompson, president. The company, however, had increased gallonage over the previous year. Only 1½% of the company's turnover was gasoline sales to the armed forces.

Contributing to the improved earnings and to the substantial improvement in cash position is the fact that all expenses relating to future bsuiness were eliminated. Mr. Thompson points out that loss of ground which is bound to result from the necessary continuance of such a policy during the war will doubtless reflect adversely over a longer range operation.

Considerable success has accompanied experiments with female help, the president reported.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net oper. earnings	723,563	517,220
Less: Inventory res.	63,170	14,021
Tax reserve	300,000	175,000
Net profit	360,393	328,199
Less: Dividends	149,481	176,978
Surplus for year	210,912	151,221
Add: Prev. surplus	2,391,321	2,240,099
Surplus forward	2,602,233	2,391,320
Earned per Share:		
Common & ordinary	$3.17	$2.87
Paid	1.25	1.50
Shares O/s:		
B preferred, $25 par	8,000	8,000
Common, n.p.v.	25,000	25,000
Ordinary, n.p.v.	85,000	85,000
Working capital	599,195	303,665

Goodyear Tire

Goodyear Tire & Rubber Co. of Canada had "a substantial increase in sales" in 1941, according to A. G. Partridge, president. Average margin of profit was lower due to the large proportion of sales for war requirements on which profits are small.

At the annual meeting it was stated that business last year was largest in company history. Officials made little attempt to forecast what 1942 may have in store. At present, the company's cotton mill is running harder than ever, its New Toronto plant, which makes tires, is still very close to its peak, but at Bowmanville, where mechanical rubber goods are made, the company has had to cut down considerably.

Last year the company paid out $4.2 millions in taxes of all kinds compared with $2.5 millions in 1940. Net capital expenditures totalled $425,059 and were just normal additions to keep plants modernized. A year ago inventories of raw materials, goods in process and finished goods exceeded that of the previous year by $2.4 millions, due to the company's policy of building up stocks. At the end of 1941 inventories of finished goods and goods in process were higher than at the end of 1940 by $737,036 due to Government requirements but stocks of raw materials were down $1.2 million.

Reviewing market prices for the company's chief materials, Mr. Partridge stated spot market price for No. 1 ribbed smoked sheets in New York fluctuated in 1941 from a low of 19 5/16c. per lb. on Jan. 27 to a high of 25⅛c. a lb. on May 12. On Aug. 12 the U. S. government placed rubber under government control and established a price ceiling on this commodity. In Canada, rubber as a commodity was also taken under control and on Sept. 1, the government-owned Fairmont Co. became sole buyer of rubber for Canadian use.

Market price for 15/16 in. middling cotton in New York reached a high of 18.61c. a lb. on Sept. 9, while the low for the year was 10.42c. on Jan. 2. The closing market was 18.59c. a lb.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Profit, after taxes	2,221,211	1,960,038
Less: Deprec.	618,122	568,525
Net profit	1,603,089	1,391,514
Less dividends:		
Pref. divds.	293,908	298,511
Com. divds.	1,286,300	643,150
Surp. for year	22,881	449,852
Add: Prev. surp.	8,324,493	7,874,641
Less: Bonus on com.*	385,890	......
Surp. forward	7,961,484	8,324,493

*$1.50 a share paid March, 1941, out of surplus carried forward from previous year.

	1941	1940
Earned per Share:		
Common	$5.09	$4.25
Paid	5.00	*2.50

*Bonus of $1.50 paid March, 1941, out of surplus carried at year end.

	1941	1940
Shares Outstanding:		
Pref., $50 par	115,945	119,080
Common, n.p.v.	257,260	257,260
Working capital	9,016,911	9,247,127

Balance Sheet Changes

	$	$
Cash	2,220,171	809,854
Call loans, bds.	94,421	196,012
Accts. rec., less res.	2,651,178	2,162,060
Inventories:		
Finished goods	3,435,828	2,715,251
Goods in process	567,741	531,282
Raw materials	2,816,868	3,970,888

Early Opening Augurs Record Grain Shipment

From Our Own Correspondent

WINNIPEG.—The first grain shipment of the season from the head of the lakes was made before the end of March, two weeks earlier than usual. Early opening of navigation is considered highly important, in view of the strain that will be placed on lake carriers to take care of business offering this year.

A number of vessels formerly engaged in grain transportation on the lakes have been transferred to the Atlantic, where they have not been immune from attacks by submarines. Vessels which otherwise might be employed in handling grain will be engaged in the ore trade this year, to make ore shipments from Duluth and Superior the highest in history.

The ore traffic to eastern United States points, ordinarily a monopoly of vessels of United States registry has been thrown open to Canadian vessels, and a number of them are expected to transfer to the ore trade after one or two trips with grain. Exporters have been booking up all available cargo space for the coming months. Expectations are that movement will be heavy for the first few weeks, and that it may then be of comparatively small proportions during a considerable part of the open season. In the fall, when freezing weather makes it difficult to handle ore, a larger number of American vessels than usual may be brought into the grain carrying business for a few trips.

A considerable part of the grain produced in the west this year will be feed grains expected to go to the market in the United States. Probably there will not be a great rush to get such grain across the lakes before freeze up. Home supplies will naturally be used up first, and Canadian grain will be counted on to make good the deficiencies in the latter part of the season. Some of the feed grains from western Canada will not be shipped through Port Arthur and Fort William, but may go all rail to destinations in the western central states, or by rail to Duluth and thence to Chicago or eastern ports by lake vessel.

Wheat Prices

Winnipeg Grain Futures

Week to Mar. 30, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close Mar. 30
		Wheat			
.82¾	.76¼	May	.79¼	.79¼	.79¼
.82⅛	.77½	July	.80⅜	.80⅜	.80⅜
		Oats			
.51⅛	.38⅛	May	.51¼	.50⅜	.51¼
.51¾	.42⅛	July	.50¼	.49⅜	.50¼
.50	.46	Oct.	.49⅛	.48½	.49½
		Barley			
.64¾	.49⅜	May	.64¾	.64⅛	.64¾
.64¾	.55⅛	July	.63⅜	.62¾	.63½
.63⅞	.57	Oct.	.62½	.62	.62½
		Flax			
1.64½	1.40¼	May	1.64	1.64	1.64
1.64	1.48	July	1.64	1.64	1.64
1.64	1.60	Oct.	1.64	1.64	1.64
		Rye			
.67⅜	.52¾	May	.66¾	.64	.65¾
.66⅝	.55	Oct.	.66¼	.65	.66¼
.66⅝	.60⅜	July	.66⅝	.66⅛	.66⅝

Cash Quotations

For Week

	Mar. 30 High	Mar. 30 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.78¾	.78½	.78⅜	.78¼
1 Nor.	.78¾	.78⅛	.78⅜	.78¼
2 Nor.	.75⅜	.75⅛	.75⅛	.75
3 Nor.	.73¼	.73⅛	.73⅛	.73⅛
4 Nor.	.71⅞	.71⅞	.71⅞	.71⅞
5 Wheat	.69¾	.69¾	.69¾	.69¾
6 Wheat	.67¾	.67¾	.67¾	.67¾
Feed	.65¼	.65¼	.65¼	.65¼
Oats:				
2 C. W.	.50½	.49¾	.50⅜	.49⅜
3 C. W.	.49	.48	.48¾	.47⅞
Barley:				
1 Feed	.61⅜	.61	.61⅜	.60½
2 Feed	.60⅜	.60	.60⅜	.60⅛
Flax:				
1 C. W.	1.64	1.64	1.64	1.64
2 C. W.	1.59½	1.59½	1.59½	1.59½
Rye:				
2 C. W.	.64⅜	.63	.64⅜	.62⅜

NOTICES

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, P.Q., at 12 o'clock noon, on Thursday, the 23rd day of April, 1942. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 3rd day of April, 1942, to the 22nd day of April, 1942, both days inclusive.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

Montreal, January 29th, 1942.

DIVIDEND NOTICES

NOTICE

Biltmore Hats Limited

Notice is hereby given that a dividend of Fifteen cents per share on the outstanding Common Shares of the Company will be payable on the 15th day of April, 1942, to shareholders of record the 9th day of April, 1942, at 3 p.m.

By Order of the Board.
(Signed) WM. F. FRANKE,
Secretary-Treasurer.

Guelph, Ontario,
March 30th, 1942.

DIVIDEND NOTICES

ZELLER'S LIMITED

Notice is hereby given that the Directors of Zeller's Limited have declared the regular quarterly Dividend of one and one-half (1½) per cent (37½ cents) on the Preferred Shares payable May 1st, 1942, to Shareholders of Record April 15th, 1942.

ZELLER'S LIMITED

Notice is hereby given that the Directors of Zeller's Limited have declared a quarterly Dividend of 20c per Share on the No Par Value Common Shares, payable May 1st, 1942, to Shareholders of Record April 15th, 1942.

By Order of the Board,
T. E. McDERMOTT,
Treasurer.

Guaranty Trust COMPANY OF CANADA

QUARTERBY DIVIDEND

NOTICE is hereby given that a dividend of 1¼%, being at the rate of 5% per annum on the paid-in capital stock of the Company, has been declared for the quarter year ending March 31st, 1942, payable April 15, 1942, to shareholders of record at the close of business March 31st, 1942.

By Order of the Board.
J. WILSON BERRY,
GENERAL MANAGER.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 221

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1942, and that the same will be payable at the Bank and its Branches on and after Friday, 1st May next, to shareholders of record at the close of business on the 31st March, 1942. The Transfer Books will not be closed.

By Order of the Board.
A. E. ARSCOTT,
General Manager.

Toronto, 20th March, 1942.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

The quarterly Dividend of 1¼% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of May, 1942, to Stockholders of record of the 10th day of April, 1942.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for three months ending April 30th, 1942. Payable the 1st day of May, 1942, to Stockholders of record as of the 10th day of April, 1942.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
March 27, 1942.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 238

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of May, 1942, to shareholders of record of the 15th April, 1942.

By Order of the Board,
ROBERT RAE,
General Manager.

Toronto, 12th March, 1942.

Kirkland Lake

Dividend No. 15

A semi-annual dividend of four cents per share on the outstanding capital stock of the Company has been declared payable May 4th, 1942, to shareholders of record April 4th, 1942.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board,
H. F. CASSIDY,
Secretary-Treasurer.

Toronto, March 20th, 1942.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1942.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1942.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1942.

By Order of the Board,
C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
March 18, 1942.

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For BUSINESS OR PLEASURE it's the MOUNT ROYAL HOTEL
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Mining INVESTMENTS

Hollinger's chief, Jules R. Timmins, had something to say about gold at the Hollinger annual meeting early this week. Mr. Timmins, who speaks as an authority, saw no worry as far as gold is concerned and gave his opinion that gold will continue to hold its traditional standing.

Said Mr. Timmins:

"The importance of gold in the national economy has been questioned and some maintain that gold will not retain its present commanding position in international finance. This would be most unfortunate, as Canada is now one of the great gold-producing countries of the world. Personally, I do not anticipate any such change in the situation and I am not nervous about the future of gold. It is my firm belief that gold will continue to hold the predominant position in world affairs it now enjoys and has held for many centuries."

MR. TIMMINS

* * *

R. A. Bryce, Macassa's president, speaking at the Macassa annual meeting also affirmed his belief in the value and future of gold. Three reasons were advanced why the United States should not be expected to stop buying gold at the present price:

1. The United States itself has the greatest stake of any country in gold and would stand to lose the most through anything that would destroy its value.

2. The Allies are financing an enormous volume of war purchases from the United States by paying in gold and public opinion in the United States would not be prepared to see the Allied cause seriously damaged by a refusal to buy gold.

3. The United States desires to give the world a lead after the war in establishing a sane and efficient international economic order, on which everlasting peace may be built.

* * *

Some effects of war continue to make themselves felt. While Renabie Mines, the Macassa subsidiary, has outlined enough ore to warrant a mill, the mill is likely to remain out of question during wartime. Powell Rouyn Gold Mines plans to close down its mill for duration but the company's income is not expected to be affected as shipments of ore will be made to Noranda to offset the new development.

Down in New Guinea, Bulolo has had to temporarily write finis to its operations due to Japanese encroachment on the island. The Australians have been holding on tenaciously to Port Moresby on this island, however, and it appears quite possible that one of the first objectives of an allied offensive in the Pacific would be the clearing up of Japanese infiltration there.

U.S. Deal May Aid B.C. Mines

Contracts With Metals Reserve Would Allow Higher Returns

From Our Own Correspondent

VANCOUVER.—Several long idle mines in the Slocan country of British Columbia may be brought back to activity again as a result of contracts arranged with the United States' Metals Reserve Co.

It is understood that the U.S. government-owned company has agreed to absorb some of the duties ordinarily collected on lead and zinc concentrates entering the United States from Canada. Most of the smelting will probably be done in Montana and Idaho.

The present U.S. tariff on lead concentrates is 1.5 cents a pound and on zinc 1.2 cents.

Helps High Cost Mines

Working on contracts negotiated some months ago, Zincton Mines near Kaslo and Western Exploration (the old Mammoth) at Silverton are already exporting to the United States, but mines subject to higher operating costs have been unable to produce economically. Consolidated Mining & Smelting Co. would under ordinary conditions absorb their output, but Smelters is committed to a long-term contract with the British government at prices too low for the marginal producers, whose only hope lies in selling at a modest premium in the American market.

Eliminate Tariffs

Metals Reserve Co., it is reported, refuses to bid for products, insisting that it can only entertain offers at definite prices for acceptance or rejection. Contract periods are determined by conditions surrounding each offer, but may run for 1½ to 2½ years, depending largely on the amount of capital necessary to recondition the properties, the idea being to give the mines an opportunity to re-establish themselves, earn a return on capital and some profit.

Reports from Washington indicate that there may soon be action toward abolishing tariffs on base metals produced in this country and required in steadily mounting quantity in the war industries of the United States.

The Week In Oils

Oil Moves Come Fast

From Our Own Correspondent

CALGARY.—The rolling prairies of southern Saskatchewan, the plains of central Alberta, the foothills belt and northern Alberta shared the spotlight in the oil news front this week with a deluge of announcements of development in proven and potential oil areas by both major and independent companies.

The Imperial Oil group headed the list with news of initiating drilling in southern Saskatchewan and the Vermilion area, and expansion of its development programme in the Tilley area and in Turner Valley, while news was also released of a successful completion of a crude oil producer at Tilley.

The Clifton C. Cross interests announced initial ventures in the Pouce Coupe and Wainwright areas, and announced still one more test in the North Turner Valley extension.

* * *

Big Tract Involved

Following up a year's geological and geophysical survey of a 3,400 square mile block in southern Saskatchewan, Norcanols Oil & Gas Co. (backed jointly by Imperial Oil, Canadian Western Natural Gas, Light, Heat & Power Co., and Osler Hammond & Nanton Ltd.) and the Northwest Co. (Imperial Oil development subsidiary) are now completing plans for the initial deep drill-test.

The initial test will be drilled somewhere in the triangle formed by the railway points of Pangman, Ceylon and Radville, due south of Regina and west of Weyburn. Heavy duty rotary equipment will be used. It is not yet certain whether the initial test will be drilled by Northwest alone, or in association with Norcanols.

The survey work, under way for the past year, is said to have uncovered one major structure and several smaller structures, all potentially productive of crude oil and/or natural gas. The survey covered a large part of the territory from Moose Jaw, Regina and Qu'Appelle, south to the United States border. It was undertaken under an agreement reached last year with the Saskatchewan government, owner of the petroleum and natural gas rights.

* * *

Imperial in Vermilion

The Imperial Oil group for some time has held extensive acreage (said to be upward of 800,000 acres) in the area west and north of the as yet comparatively small Vermilion oilfield in central eastern Alberta. The holdings have been surveyed. They are now going to be drilled.

The Northwest Co., Imperial's development subsidiary, has staked its first location, to be drilled as Northwest-Claysmore No. 1, in L.S.D. 4 34-50-8w4. The location is about 12 miles west of the town of Vermilion, and around 15 miles west of the present oil producing area of Vermilion. Northwest's Vermilion area drilling programme will be carried out with a new light portable rotary rig.

* * *

Tilley 2 at 100 Bbls.

While the Northwest Co.'s Tilley No. 2 well has not yet been on production long enough to exactly estimate its potentialities, there is now a reasonable expectation that this well, the second to be drilled in the Tilley area will be a commercial crude oil producer. The well started production test on March 23. Hole was drilled to 3,185 ft., five feet in the Madison limestone. Casing of 4¾ in. was set to 3,185 ft., and was perforated between the 3,170 and 3,180-ft., levels to open up the Sunburst sand section.

Following the perforating of casing, the well commenced flowing oil and gas under its own power. While no official figures are yet available, it is understood that the well started off at a rate of about 125 bbls. per day and has since settled to just under the 100 bbl. mark. Substantial gas pressure is indicated. So far as is known, no water has shown up, to date at least. Gravity of the oil has not yet been exactly determined, but it is believed to be between 27 and 30 degrees API, slightly higher than the gravity of the crude found at Princess, about 15 miles to the north.

Northwest is going to waste no time following up the promising strike at Tilley No. 2.

Location has been staked for Northwest-Tilley No. 3, in L.S.D. 17-16-12w4, about five miles south of Tilley No. 2. The light portable rotary used at Tilley No. 2 will be used to drill the new venture. As are the Saskatchewan and Vermilion projects, the Tilley tests are close to highways and railways, offering fully adequate transportation facilities when and if steady oil production is developed.

How the Axis Tries to Poison Opinion

(Continued from page 11)

soldiers are being used to expand the powerful, dangerous British Empire.

The propaganda line against Russia at the moment is that Russia is the real enemy; that Stalin is plotting world revolution and the world spread of Communism; that all the other nations should combine to stop Russia.

There are attacks upon Roosevelt, "the tool of Churchill," but the British people are told that Churchill is "the tool of Roosevelt."

The administration at Washington is pictured as fumbling and incompetent.

Every new government order or sacrifice is attacked. The horrors of war on the civilian front are played up. If prices rise, the people are urged to protest. If an effort is made to fix prices, the people are asked to protest against government interference. There are warnings of regimentation.

A wide variety of channels are used deliberately to spread such propaganda. Both the spoken and the written word are employed.

Propaganda starts with the Axis short-wave broadcasts but these have a limited audience, comprised in considerable measure of agents and Quislings.

All sorts of associations and committees are formed to spread the ideas that the Axis seeks to get across. If Americans form Committees, ideas are fed to them. The America First Committee, the Christian Front, the National Workers League and the Ku Klux Klan are all used as tools.

Use Whisper Campaigns

Much poisonous propaganda is spread by whispering campaigns.

There are numerous outright propaganda organs. Some have recently been closed up by the FBI and others will shortly be closed up.

Seditious material has appeared regularly in Father Coughlin's "Social Justice"; the Galilean Magazine, and in numerous "letter services" and pamphlets. This week the Galilean suspended publication one jump ahead of the post office authorities.

This magazine, supposedly a religious paper, recently published a most comprehensive set of instructions to Fifth Column agents. They were written in biblical language but the disguise was transparent.

The Financial Post has seen many of these publications. The most astonishing thing is that their publishers have not all been immediately locked up as traitors and seditious persons.

There are radio broadcasters whose news commentaries are thinly disguised Axis propaganda. One "cracker barrel" philosopher with a large audience does not repeat quite the same propaganda as comes over the German radio, but every time he refers to Britain he changes his voice to a sarcastic tone and the effect is the same. This may be sheer co-incidence but it looks like something more than that.

Only this week another "behind-the-scenes" commentator over the Mutual network devoted several minutes to an "exposé" of Stanley Baldwin. The broadcast was certain to arouse anti-British feeling. It was announced that the broadcast was based on material supplied by Trans-Radio Press. This is the "news" agency that was some time ago exposed as distributing news from "Trans-Ocean," a German propaganda agency. It used to supply news to some Canadian radio stations, but The Financial Post understands that these stations dropped the "news" agency when the Trans-Ocean link came to light.

"Economic Earthquake"

There is one economic "expert" previously exposed in The Financial Post, who is giving great comfort and encouragement to the enemies of the United Nations. He is William J. Baxter, an avowed admirer of Japan. He used to preach that Japan was the coming nation. Now he is forecasting an "economic earthquake." He sees the British Empire breaking up. He urges people to sell their British securities. Baxter once operated what he called the Canadian Economic Research Bureau until The Financial Post exposed it as a fake with no office or connections in Canada. In December, 1939, he forecast for 1940 "a fresh collapse of Canadian bonds" and "a sharp rise in Japanese, Italian and German bonds."

Another Fascist-minded "economist," not unknown in Canada, Lawrence Dennis, has been active in underground meetings and his anti-British writings have a large audience.

Part of the campaign is an effort to break down confidence in gold. Another part of it, now snow-balling, is the attack upon the Jews. Anti-semitic feeling has been rising in the United States in recent weeks and has been assiduously promoted by the Fifth Column.

Write to "Dear George"

Letters and post-cards are used. Recently some hundreds of letters from a foreign country were taken out of the mails. Addressed to people all over the United States, they were signed with fictitious names. They were identical in text. They said in effect "Dear Bill (or George or Henry); what are the British telling you in the United States? This is what they are telling us here." Enclosed was what purported to be a circular issued by a British war "charity." One sentence from it indicates the character of the text; "Let America win the war for us and then England will be England again." A transparent forgery, the letter was intended to poison American minds against Britain by making it appear that the British were callously using American soldiers to win the war for British Imperialism.

One thing that makes Axis propaganda and Quisling tactics so effective in the United States is the fact that much the same things are being said by Anglophobe newspapers and speakers.

The Lindberghs and Wheelers are numerous. Newspapers which have misrepresented the British position include the Chicago Tribune, the Washington Times, the New York Daily News, the St. Louis Post-Dispatch, the Kansas City Star and the Denver Post, and all the Hearst papers. All "ultra-American" in their editorial policies, these papers, influential and widely circulated, have been most harmful to understanding between Britain and the United States.

Really anti-Washington

Some of these papers are not only anti-British, venomously so; they are actually, at heart, so viciously critical of the administration as to be truly anti-American. Typical is the Hearst press. For over a generation, William Randolph Hearst has been a troublemaker by proclaiming the "yellow peril" and warning that Japan had evil designs on the United States. Yet when Japan attacked the United States, he said that Washington had, by its policies, forced Japan to attack.

The effects of this Axis and anti-British propaganda are beginning to show. There has been a striking decline in pro-British sentiment all over the United States, including even those areas that have been most friendly in the past, such as the Southern States.

British retreats and losses have had something to do with it such as the loss of Singapore, the retreat in Burma, the loss of the Netherlands East Indies. Axis propagandists have made the most of certain passages in Winston Churchill's February speech, particularly the reference to his having "worked for" American entry into the War.

Do Nothing Here

As an offset to Axis propaganda and isolationist anti-British propaganda, the British are doing very little and Canada is doing almost nothing. The British have an information service and a Library of Information in New York. They operate a small speakers' bureau. But Britain has leaned backward in avoiding any effort to propagandize the American people.

Churchill's visit raised British prestige in the United States to a new high, but the effect has quickly worn off under pressure of the Axis attack upon the minds and sentiments of the American people and under the pressure of continued defeat for both British and American arms.

Canada has a press attaché at its Legation in Washington and some material from the Department of Public Information is circulated from New York. But something much bigger is needed: a bureau with offices in both Washington and New York capable of aiding American editors in planning staff-written articles on Canada's war effort; and ready at any hour of the day or night to give the true facts about Canada to any writer or editor who desires information in reply to some Axis blast.

Not Enough Publicity

There was an effort last fall to establish such a bureau in the United States but, due chiefly to controversy as to whether it should come under the Department of National War Services or the legation in Washington, the plan was abandoned.

As a result, Canada is inadequately represented, publicity-wise, in the United States today.

The ignorance of the American people as a whole on Canada's war effort is profound. Yet their desire to know the truth is just as great.

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See New Pay-off Record For Well in North End

While Turner Valley continues to break records in volume of crude oil produced, it appears another type of record may be broken shortly. This is the length of time taken to liquidate the preference on a net preferred royalty. The well which appears to have an excellent chance of doing it is Major Oil No. 3

With a distribution of $648.80 per 1% net preferred royalty declared for this well, payable out of February production, a total of $1,940 will soon have been paid out in three distributions, leaving only $2,100 of preference to be retired. The January distribution of $691.20 was believed to be the highest distribution made for any month on this type of royalty at any time and while the February payment is somewhat lower than that for January, it reflects a three days shorter month.

Major No. 4 well, the north offset to Major No. 3, is expected to make its first distribution about next May. The gas-oil ratio at this well is relatively high, holding down allowable output somewhat, but it is anticipated the well will have a long productive life in spite of this higher operating ratio.

In regard to gas-oil ratio, it is possible that Major No. 4 has taught a lesson to every operator in the field. Located next to very large wells, Major No. 4 well was allowed to operate at around the 1,000-barrel a day rate in the early stages. It now appears that this may have had some adverse effect on the gas-oil ratio which it would have been difficult to foresee previously.

Next north end completion is expected to be Major No. 9 well which is the easterly offset of Foothills No. 10.

Drilling in the north end extension test area is progressing with key Ace No. 2 well down around the 7,000-ft. horizon.

PRODUCING WELLS — PAYMENTS AND PRICES

	Mar. daily allow bbls.	Jan. roy. pay. 1% $	Feb. roy. pay. 1% $	Paid to Jan. 31 1% $	Dealers offering Price† 1%
Ace No. 1 gross	593	303.71	269.38	1,660.05	$7,500
Alta. Oil Inc. No. 1 gr.	143	79.20	.....	3,097.60	3,300
Do., No. 1 net	143	60.00	.....	3,078.40	1,200
Do., No. 2 gr.	555	240.80	.....	3,876.80	8,000
Do., No. 2 net	555	225.60	.....	4,011.40	6,600
Allied No. 1 pfd.	100	37.21	36.71	355.38	1,700
Arrow No. 1 net	200	88.40	81.20	972.00	2,500
Do., No. 2 net	207	82.40	76.80	899.00	2,500
Atlas-Br. Dom No. 2 pfd.	909	.....	.....	......	8,600
D. & D. net pfd.	87	36.40	29.60	1,446.40	1,500
Harris No. 2 gross	90	45.29	41.15	2,245.03	2,500
Do., No. 2 pfd. net	90	34.16	32.20	2,970.10	1,750
Independent No. 1 pfd.	252	131.93	114.30	902.29	4,300
Do., No. 1 gr.	252	98.34	85.25	1,082.99	4,200
Major Oil No. 1 pfd.	171	54.00	82.80	54.00	2,600
Do., No. 1 gr.	171	98.40	.....	956.40	2,700
Do., No. 2 pfd.	805	525.60	483.20	1,226.40	8,900
Do., No. 2 gr.	805	394.40	.....	1,871.60	10,400
Do., No. 2 dfd.	805	.....	.....	......	5,700
Do., No. 3 pfd.	1,009	691.20	648.80	1,291.20	11,000
Do., No. 3 gr.	1,009	504.00	.....	1,604.40	....
Do., No. 3 dfd.	1,009	.....	.....	......	7,000
Do., No. 4 pfd.	647	.....	.....	......	7,500
Do., No. 4 gr.	647	24.00	.....	24.00	8,500
Miracle No. 1 pfd. net	791	523.50	486.86	2,033.86	8,600
Do., No. 1 dfd.	791	.....	.....	......	6,000
Do., No. 1 gr.	791	375.05	336.43	3,504.01	10,600
Do., No. 2 pfd.	862	.....	.....	......	8,600
Royalite-Model No. 1 gr.	207	.....	.....	......	4,600
Sunset No. 1 gr.	107	52.29	.....	6,611.67	2,500
Do., No. 2 gr.	91	40.36	.....	3,755.22	2,000
Twin Valley No. 1 gr.	181	84.15	.....	1,474.02	4,300
United Assets (debent)	210	.....	.....	......	100
Vulcan Brown gr.	173	80.80	.....	7,690.85	4,000
Do., net	173	45.52	.....	4,995.32	3,100
Winalta No. 1 pfd.	108	62.80	.....	2,931.60	2,000
York No. 1 gr.	98	50.64	.....	4,506.05	2,250
Do., No. 2 gross	96	36.00	.....	1,524.00	2,250

†Approximately 20% over dealers' bid prices.

DRILLING WELLS — DEPTHS AND PRICES

	Drilling depth ft.	Offering price per 1%
Ace No. 2 pfd.	6,803	*$4,375
Adanac pfd.	1,567	*4,375
Admiral No. 1 pfd.	2,647	*4,375
Do., No. 1 gross	2,647	5,000
Bonaventure pfd.	4,202	*4,375
Candn. Depos. No. 1 pfd. derrick	....	*4,375
Candn. Depos. No. 1 gr. derrick	....	......
Drillers & Prod. (unit) No. 1 prod.	....	106
Gem No. 1 pfd. net	7,305	4,050
Hastings No. 1 pfd.	4,062	*4,250
Inland Sarcee No. 1 pfd.	5,114	4,000
Do., No. 1 gr.	5,114	5,000
Lion-Davies No. 1 pfd.	640	*4,200
Major Oil No. 5 pfd.	3,106	*4,375
Do., No. 5 gr.	3,106	5,500
Do., No. 6 pfd.	5,630	6,800
Do., No. 6 gr.	5,630	7,800
Do., No. 7 pfd.	4,854	6,700
Do., No. 7 gr.	4,854	7,900
Do., No. 8 pfd.	5,881	6,800
Do., No. 8 gr.	5,881	8,000
Do., No. 9 pfd.	6,546	*4,375
Do., No. 10 pfd.	5,386	*4,375
Do., No. 10 gr.	5,386	5,400
Do., No. 11 pfd.	4,174	*4,375
Do., No. 12 pfd.	5,887	*4,375
Do., No. 12 gr.	5,887	5,400
North Clon. No. 1 pfd.	spud.	*4,375
Northcross No. 1 pfd.	1,940	*4,375
Do., No. 1 gr.	1,940	5,000
Northend Pete. No. 1 pfd.	5,827	5,200
Do., Pete. No. 1 Gr.	5,827	6,000
Do., Pete. No. 2 pfd.	1,849	5,200
Do., Pete. No. 2 gr.	1,849	5,600
Do., Pete. No. 3 pfd.	4,220	6,500

*Pegged price.

Mining Company Reports

Noranda Mines

Even though taxes were sharply higher, Noranda had almost a record year in 1941. Earnings at $4.94 cents a share were 43 cents higher than the previous year and within 4 cents of 1939, the best year the company has yet enjoyed.

The largest item contributing to increased earnings in 1941 was miscellaneous income, President J. Y. Murdoch states. The increase in this item was approximately 55 cents a share or more than the increase of a million dollars or 47 cents a share in taxes.

The No. 6 internal shaft at Noranda, which starts on the 2,875-ft. or 25th level, was deepened 1,169 ft. to its final depth of 3,046 ft. below the 25th level during 1941. Since the end of the year drifting has started on new levels at 4,475, 4,975, 5,475 and 5,975 ft. for the purpose of exploring the 2,000-ft. vertical section between the 3,975-ft. and 5,975-ft. levels including the large mineralized body below the "H" ore body. The situation from the exploration viewpoint at the end of 1941 was the same as a year previous.

The great mineralized body runs 50,000 tons to the vertical foot at the 3,975-ft. level. While the upper part of this body appears marginal as far as gold and copper are concerned, it runs 50% pyrite and this material can be profitable to the extent that pyrite, a valuable product in the chemical industry, can be marketed.

Net profit of $560,688 was realized by Cia Minera La India in 1941.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Metals & misc. income	21,987,990	20,263,806
Less: Oper. expense	5,690,825	6,091,814
Admin. & gen. exp.	173,526	254,523
Mun. & sundry taxes	157,044	164,370
Pension & ins. plan	108,247	101,014
Net earnings	15,858,348	13,652,085
Less: Depreciation	563,924	549,760
Outside explor. w/o	174,224	......
Res. for taxes	4,056,577	3,007,903
Net profit	11,063,623	10,094,422
Less: Dividends	8,959,088	8,959,088
Surplus for year	2,104,535	1,135,334
Add: Prev. surplus	18,079,840	16,944,506
Surplus forward	20,184,375	18,079,840
Earnings Per Share and Dividend Record:		
Earned	$4.94	$4.51
Paid	4.00	4.00
Working capital	15,176,879	13,931,025

Waite Amulet

Highlights of the 1941 annual report of Waite Amulet Mines are as follows:

An increase in net profit to 39 cents a share on an unconsolidated basis against 22 cents for 1940.

Settlement of sale price for copper under agreement with the British Ministry of Supply.

No settlement as yet to 1940 excess profits tax or a standard profit for Amulet Dufault Mines.

Due to the war, it was found necessary to eliminate all information regarding metal production, ore reserves and other relative data from the annual report. A 300-ton addition to zinc plant capacity was placed in operation the latter part of 1941.

Most of the 8,600 ft. of underground diamond drilling during the year was used to outline the new ore lying to the north and under the main ore body. This ore is separated from the main ore body by a 50-ft. diabase dyke. It has been drilled for a length of 700 ft. with tonnage conservatively estimated at 222,350 tons.

Income and Surplus Account
Years Ended Dec. 31

	‡1941 $	1940 $
Metal recov. & sub. divds.	2,303,266	4,485,137
Less: Operat. costs	786,902	2,501,811
Admin. & gen. exps.	29,921	38,808
Net operat. earnings	1,486,443	1,944,518
Less: Depreciation	47,948	200,577
Development w/o	......	374,869
Taxes	152,433	335,311
Poss. tax requirement	......	289,610
Other expenses	......	10,274
Net profit	1,286,062	733,877
Less: Dividends	1,320,000	330,000
Surplus for year	*33,938	403,877
Add: Prev. surplus	1,482,547	1,078,670
Surplus forward	1,448,609	1,482,547

*Deficit. ‡Not consolidated with subsidiary Amulet Dufault Mines.

Earnings per Share and Dividend Record:		
Earned	*$0.39	$0.22
Paid	0.40	0.10

*On unconsolidated basis.

No. of Shs. Outstand.	3,300,000	3,300,000

Working Capital

	$	$
Current assets	3,595,150	2,848,390
Current liabilities	547,134	467,827
Working capital	3,048,016	2,380,563

Amulet Dufault Mines
(94% Owned by Waite Amulet)
Income and Surplus Account
Year Ended Dec. 31, 1941

	$
Metal recoveries, etc.	2,515,334
Less: Admin. & gen. exp.	3,127
Corporate taxes	15,000
	2,497,207
Less: Organ. expenses	8,538
Taxes	735,000
Net profit	1,753,669
Less: Dividends	1,056,000
Surplus forward	697,669
Earnings per Share and Dividend Record:	
Earned	$0.50
Paid	0.30
Working capital	667,683

Hard Rock

While rate of production was maintained, earnings of Hard Rock Gold Mines declined in the 10 months ended Dec. 31, 1941. Profits were equal to 5 cents a share against 10.8 cents the preceding year.

Increased operating expense and greater development write-off contributed to the lower net profit.

Ore reserves in the North ore system were slightly less at 630,000 tons including 92,000 tons broken. Average grade is estimated at $7.46 a ton. Reserves are equal to 440,000 tons of $10.42 a ton after sorting. This estimate does not include free milling ores.

A total of 114,996 tons of $9.64 grade ore was milled in 1941.

Sinking of the shaft to the 1,500-ft. level is expected to be completed by the end of 1942. New levels will then be opened up as quickly as possible.

	10 Mos. ended Dec. 31 1941 $	Year ended Feb. 28 1941 $
Bullion production	979,737	1,201,225
Less: Marketing	11,096	14,027
Net production	968,641	1,187,198
Less: Development	90,546	95,740
Mining	259,387	275,045
Milling	180,496	175,744
Cost of concs.	3,783	......
Gen. & admin. exps.	73,586	88,604
Operating profit	360,843	552,065
Add: Int. receivable	1,750	1,718
Total net earnings	362,593	553,783
Less: Depreciation	90,659	103,449
Development w/o	66,511	59,971
Taxes	55,102	65,811
Net profit	150,321	324,552
Less: Dividends	239,206	299,007
Surplus for year	*88,885	25,545
Add: Prev. surplus	227,140	206,711
Less: Organ. exp. w/o	1,770	......
Tax adjustment	......	5,116
Surplus forward	136,485	227,140

*Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.05	$0.108
Paid	0.08	0.10
No. of Shs. Outstand.	2,990,074	2,990,074

Working Capital

	$	$
Current assets	444,603	503,718
Current liabilities	115,459	148,692
Working capital	329,144	355,026

Lead, the only metal used in large quantities which has not so far been placed under control in Canada, will soon come under restrictions, according to an announcement of the Department of Munitions and Supply. New restrictions are expected to curtail production of certain non-essentials. Ample supplies of lead are still available in Canada but the metal is needed by the United Kingdom and the United States.

Pascalis Gold Mines shareholders will be asked on April 14 to approve an increase in authorized capital from 3 to 4 million shares to allow financing of proposed development. Work last year gave encouragement and a plan is now being considered for treatment of ore at a nearby mill. Balance sheet as at Dec. 31, 1941, shows $9,433 cash, $334 accounts receivable and $3,186 of supplies. Wages payable were $1,690 while accounts payable and advances from associated companies were $25,059.

Sylvanite Gold Mines has shown ore persisting on its property to a depth of at least 7,000 ft. from diamond drilling, it is learned in a letter forwarded to shareholders recently. Reports that some mines in Kirkland Lake have reached the bottom of their productive ore zones can be disregarded in the case of Sylvanite.

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Gold Stocks Oversold, Say Mine Men

Present Prices Seen Placing Worst Possible Interpretation on Future

By GORDON M. GRANT

That perennial question of "How much is a gold stock worth?" has received a new going over in recent weeks.

With most gold stocks down 50% from their 1941 highs and even the senior golds caught in the decline to an extent unparalelled in the "Dunkirk market" of June, 1940, returns on gold mining issues have reached new peaks despite a score of dividend slices in the last few months. To many investors who used to regard 10% as a satisfactory return on a gold stock, yields of 20 and 30% may seem close to fantastic.

Not only does the stock market appear to have fully discounted dividend cuts — actual and prospective—but further difficulties ahead have been discounted too. Some mining men think (and they speak convincingly), that the public has allowed its imagination to run riot in conjuring up future difficulties for the gold mines. Gold mines anticipate difficulties, it is true, but mining men generally do not expect the situation to become anything like as acute as the drastic market drop suggests.

If 1941 high prices for gold stocks were justified, it is being pointed out, the low prices of late could be taken as discounting not only a reduced scale of operations for duration but even a complete cessation of production and dividends for two or three years.

But Mining Goes On

In spite of rumors to the contrary, gold mining is expected to continue. In the recent announcement with respect to the new manpower mobilization order gold mining has been classified as an essential industry. As Canada lost U. S. foreign exchange on balance last year, the need for gold to supply U. S. dollars is believed as great as ever.

Our adverse exchange balance with the United States last year also makes less likely any move to bring the Canadian dollar up to par with the U. S. dollar—a move that has been "forecast" by board room pessimists for some time.

U. S. Situation Different

The supply situation will be difficult, it is realized, but the closing down of one of two gold mines in the United States for lack of equipment means little in Canada. To the United States economy domestic gold mining is relatively unimportant. In Canada, while the number of men directly engaged in gold mining is relatively small—about 32,000—the "harvest" gold mining brings—about $200 milions—is very important. In the last week, Canadian authorities have re-stated their position that everything will be done to assure supplies to the gold mines and that no change is indicated as far as the United States and Canadian mining supplies are concerned. Only about 7% of gold mine supply requirements are filled in the United States, it is understood.

Need Little Equipment

Few people realize that producing gold mines generally can get along with little or no new equipment in case of necessity. Most items of mining equipment are designed to last the life of the mine. Where new equipment cannot be secured, welding of old equipment can and will be carried out if necessary. If, through an accident, a piece of equipment should be smashed beyond repair, a new item could be cast without too much difficulty.

It is normal for mines to carry a supply of reserve parts to prevent any interruption of operations through a break-down and these spare parts can be used to give ample time for old parts to be refurbished.

To Pool All Supplies?

Pooling of supplies by gold mines is still being mooted. If supplies are pooled—and discussions are being carried on along these lines — one mine with a shortage of cyanide and a long supply of steel balls could arrange a deal with another mine long on cyanide but short of steel balls.

Mines are already endeavoring to economize on current supplies and pooling may allow a further curtailment of demands on supply firms. Cessation of expansion has meant a sharp decrease in the amount of new equipment purchased by the mines.

Stones Instead of Balls

Uninformed discussion of gold mining supplies has perhaps exaggerated the importance of this factor in gold mining operations. Operating supplies are essential, it is true, but the quantity consumed is relatively insignificant compared with the value of the output. Even in what are ordinarily considered essential supplies, economies are being made and will no doubt be extended.

Some of the gold mines are experimenting with hard pebbles and stones instead of steel balls in their ball mills and success is being met with in this new departure. Buffalo Ankerite Gold Mines for some time has been using the rock tourmaline for its grinding and may change over to this completely. In using other agents than steel balls, mines in Porcupine enjoy an advantage—their ore is soft and grinding is a relatively simple job.

Ready for Labor Trouble

For years many of the mines have been preparing for the time a labor shortage might develop. The mines have perhaps not quite as many men now as they would like, but the situation is not serious.

More than one mine could be named where the shaft was put down further than was immediately required years ago in order to prepare for the day a shortage of labor might develop. Stopes have been well prepared and with large ore reserves ahead, many mines could suspend development entirely for several years if a labor shortage should become acute.

Calling up of further men for military service may gradually affect producing gold mines but perhaps not as much as some other industries, particularly those turning out non-essentials. In the early days of the war, a relatively large proportion of the single younger men in the gold mines "joined up." Gold mines are today depending largely on married men and older single men not likely to be called up for service. The total of men employed by the gold mines is somewhat less than half the number engaged in logging, about the same as the number engaged in railway repair.

Gold Mine Wages High

From the standpoint of wages, it is felt that the tendency will be for men to remain in gold mining. Figures of the Dominion Bureau of Statistics show that the average weekly wage in all metal mines was $37.79 last December. Only the railways with an average weekly wage of $39.62 showed a higher average wage paid than the mining industry.

Mining men feel that the level of wages paid their miners will tend to keep the men in the mines, particularly after the cessation of the C.I.O. strike at Kirkland Lake. The level of wages paid by gold mines is actually considerably higher than at the outbreak of war. Wage increases were given before the freezing of wages and the cost-of-living bonus is also being received by gold miners.

From time to time the value of high wages in the gold mining fields has been questioned on the ground that living costs are higher there. Surveys show, however, that in the larger gold mining areas, living costs are not really out of line with the more settled regions of southern Ontario.

Price Ceilings a Help

Possible shortages of labor and supplies are the two difficulties gold mines may have to work against. At one time it was feared that rising costs might be an insurmountable difficulty for our gold mines in wartime. But placing of a ceiling on prices had had the effect of keeping prices down and it is possible that one or two Canadian marginal mines might not be in operation today except for supply and wage regulations.

What the future holds for gold stocks remains an unknown quantity. But mining men with whom The Financial Post has talked give their assurance that there is no basis for the extremes indicated by stock market action.

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CHARTERED ACCOUNTANTS

The Co-Ordination of Office Functions

A significant statement has been appearing in recent years in auditors' reports to the shareholders of many of the larger corporations. In connection with their examination of the Balance Sheet and the Statement of Profit and Loss, the auditors inform the shareholders somewhat as follows: "While we did not make a detailed audit of the transactions, we have reviewed the system of internal control and the accounting procedures of the company and have examined or tested accounting records of the company and other evidence by methods and to the extent we deemed appropriate."

Why was a detailed audit not carried out? There is a reason. The great expansion of modern industry and the rise of huge corporations with their hundreds of thousands of transactions annually have made the detailed audit of former days altogether unfeasible and entirely too expensive. The audit program is now planned along scientific lines; its features and scope are determined by the nature and the extent of the internal check and control in the organization under examination.

"Internal check and control" is a term used to describe the measures or methods adopted by a company or firm within its organization to safeguard its cash and other assets as well as to check the clerical accuracy of the bookkeeping. These safeguards usually take the form of a definite segregation of duties or the utilization of mechanical devices. For instance, the clerk preparing the payroll will not be permitted to act as paymaster; the cashier will not have as part of his duties the posting of customers' accounts.

The extent to which such safeguards are practicable will naturally vary with the size of the organization and the personnel employed. The system best suited to a company will be determined after consulting those familiar with the establishment and the working of such controls. Here is one capacity in which the chartered accountant of today is helping industry to function more effectively and economically.

One of a series of brief discussions of the work of the professional accountant.

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Winnipeg, Manitoba

ARTHUR S. FITZGERALD AND COMPANY
Chartered Accountants
WINDSOR, ONTARIO

Hudson, McMackin & Co.,
Chartered Accountants
SAINT JOHN and MONCTON, N.B.

Black, Hanson & Co.
Chartered Accountants
Winnipeg, Fort William and Port Arthur

CHARLES GREER & CO.
Chartered Accountants
TORONTO
814 Excelsior Life Bldg. Elgin 0700

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Mining Company Reports

Matachewan Consol.

While slow equipment deliveries have delayed expansion of mill capacity from 550 to 1,000 tons daily at Matachewan Consolidated Mines, production at the full higher rate is expected by April 1, President Thayer Lindsley states in the company's 1941 report.

A further increase in probable ore reserves was shown at the end of the year due to favorable results in the porphyry area. Estimated probable ore reserves down to the 1,150-ft. horizon are reported at 1,139,380 tons averaging 0.111 oz. gold per ton. Between the 1,150 and 1,450-ft. horizons a further 500,000 tons of ore has been indicated by diamond drilling of a grade approximately the same as that indicated near the 8th level.

Income and Surplus Account
Years Ended December 31

	1941 $	1940 $
Metal sales	889,324	828,655
Less: Marketing	10,136	10,739
Net production	879,188	817,916
Less: Development	85,785	108,561
Diamond drilling	18,084	37,173
Mining	359,828	278,970
Milling	144,453	143,110
Silicosis assess.	3,968	4,795
Gen. property exp.	49,667	38,153
Mine off. & super.	32,866	25,985
Admin. expense	14,594	5,388
Oper. profit	169,938	175,781
Add: Non-oper. inc.	10,866	6,915
Total income	180,804	182,696
Less: Taxes	18,602	37,966
Depreciation	83,003	76,851
Outside exploration	......	3,044
Net profit	79,199	64,835
Less: Dividends	......	68,600
Surplus for year	79,199	*3,765
Add: Prev. surplus	195,427	199,192
Surplus forward	274,626	195,427
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.023	$0.0189
Paid	nil	0.02
No. of Shs. Outstand.	3,430,000	3,430,000
Working Capital		
Current assets	302,297	536,221
Current liabilities	118,818	97,042
Working capital	183,479	439,179

Canadian Malartic

Through extension of previously known ore bodies, Canadian Malartic Gold Mines increased its ore reserves by 119,000 tons in 1941 to 1,823,500 tons grading $4.59 a ton at $35 gold. In spite of increased taxes and development, net profit last year was slightly higher at 5.3 cents a share as against 5 cents the preceding year.

With five years' indicated ore now in sight, exploration is to be curtailed in 1942 with development limited chiefly to stope development. Due to this, it is hoped costs this year will not exceed those of 1941, despite the war. Unless conditions change materially for the worse, it is stated probable that the dividend distribution of last year can be continued throughout 1942.

During the year mill capacity was expanded to 1,000 tons daily. A total of 293,011 tons of ore were milled during the year with a recovery of $4.44 per ton, both tonnage and average recovery being higher than in the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion output	1,302,150	1,151,842
Less: Marketing	14,979	13,465
Net return	1,287,171	1,138,377
Less: Diamond drill.	19,465	27,360
Mine development	205,353	149,008
Mining	353,155	246,416
Milling	177,142	161,074
Mine off. & super.	44,814	37,109
Gen. mine expense	56,827	53,126
Admin. & gen. exp.	28,927	25,597
Oper. profit	401,488	438,687
Add: Non. oper. inc.	7,398	8,229
Profit on secs.	5,596	103
Total net income	414,482	447,190
Less: Prov. for taxes	81,100	68,123
Depreciation	138,844	131,870
Development w/o	......	63,245
Loss on assets	......	327
Profit for year	194,538	183,454
Less: Dividends	292,108	292,108
Deficit for year	97,570	108,654
Add: Prev. deficit	198,315	156,549
Less: Profit on lots	2,143	66,888
Deficit forward	293,742	198,315
Earnings per Share and Dividend Record:		
Earned	$0.053	$0.050
Paid	0.08	0.08
No. of Shs. Outstand.	3,651,355	3,651,355
Working Capital		
Current assets	599,176	666,465
Current liabilities	145,948	125,577
Working capital	453,228	540,888

Chesterville Larder

An increase in earnings from 19 to 22 cents a share was realized by Chesterville Larder Lake Mining Co. in 1941.

Aside from the increase in earnings important developments during the year were:

Continuation of the main shaft to 1,245 ft. with five new levels established down to the 1,175-ft. horizon.

A decision to sink the shaft a further five levels with the deepest at 1,925 ft. below the collar.

The proving by drilling that the Kerr-Addison No. 21 ore body—that company's largest ore source—extends into Chesterville ground starting somewhere above the Kerr-Addison 1,300-ft. level.

Ore reserves at the end of 1941 totalled 757,000 tons averaging 0.140 oz. of gold compared with 851,198 tons of 0.154 oz. grade at the end of the previous year. A total of 250,794 tons of ore were milled during the year.

The Chesterville "A" ore body is not believed to lie within the company's ground at depth but offsetting this is the indication of 200 tons of ore per vertical foot in the No. 21 ore body extending in from Kerr-Addison at the 1,300-ft. level. Indicated grade is 0.172 oz. gold per ton.

Income and Surplus Account
Year Ended December 15

	1941 $	1940 $
Bullion production	1,422,291	1,258,946
Less: Marketing	17,039	15,106
Net production	1,405,252	1,243,840
Less: Development	87,880	141,994
Mining	167,620	121,997
Milling	208,839	183,566
Gen. mine expense	198,573	171,329
Admin. & H.O. exp.	91,724	60,014
Int. & exchange	938	5,268
Operating profit	649,678	559,672
Add: Other income	3,914	3,366
Net earnings	653,592	563,038
Less: Depreciation	135,111	117,100
Development w/o	66,037	60,970
Taxes	73,488	65,000
Net profit	378,956	319,968
Less: Dividends	260,334	86,778
Surplus for year	118,622	233,190
Add: Prev. surplus	261,504	27,301
Inc. tax adjust.	......	1,013
Surplus forward	380,126	261,504
Earnings Per Share and Dividend Record:		
Earned	$0.22	$0.19
Paid	0.15	0.05
No. of Shs. Outstand.	1,735,559	1,708,459
Working Capital		
Current assets	283,635	174,279
Current liabilities	216,497	118,752
Working capital	67,138	55,527

Patronize
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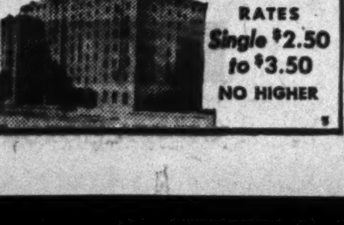
for COMFORT and THRIFT!

FORD HOTEL
MONTREAL

RATES: Single $1.50 to $2.50
NO HIGHER

FORD HOTEL
TORONTO

and in OTTAWA
The LORD ELGIN



RATES
Single $2.50 to $3.50
NO HIGHER

THE STEEL COMPANY OF CANADA, LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1941

ASSETS

CURRENT ASSETS		
Cash on hand and in banks	$ 2,954,406.21	
Guaranteed call loans and deposits with trust companies and banks	893,839.92	
Dominion of Canada treasury bills, bonds and other securities, (market value December 31, 1941, $4,830,722.83)	4,679,036.33	
Due from employees on War Loan subscriptions, secured by Dominion of Canada bonds	70,035.25	
Accounts and notes receivable, less reserve	8,066,926.96	
Inventories of raw materials, supplies and products, as determined and certified by responsible officials of the companies and valued at the lower of cost or market, less reserve	10,076,587.17	
		$26,740,831.84
INVESTMENTS (non current)		
Investments in and advances to associated coal and ore mining companies		1,839,464.85
FIXED ASSETS		
Cost of works owned and operated		61,019,697.75
OTHER ASSETS		
Benefit Plan—cash and investments (per contra)		843,402.56
DEFERRED CHARGES		
Taxes, insurance and other expenses paid in advance		74,609.95
		$90,518,006.95

Approved on behalf of the Board
R. H. McMASTER
H. H. CHAMP
Directors

LIABILITIES

CURRENT LIABILITIES			
Accounts payable		$ 3,352,993.29	
Accrued wages		590,512.58	
Provision for income, excess profits and other taxes		4,477,496.78	
Unclaimed dividends		8,469.31	
Dividends payable February 2, 1942			
On Preference shares	$194,889.00		
On Ordinary shares	345,000.00		
		539,889.00	
			$ 8,969,360.96
LOAN FROM DOMINION GOVERNMENT for construction of new plant facilities		$ 4,150,000.00	
Less repaid		1,660,000.00	
			2,490,000.00
PLANT AND OPERATING RESERVES			
Depreciation reserve		$31,965,132.11	
Furnace relining and rebuilding and other operating reserves		2,810,704.64	
			34,775,836.75
BENEFIT PLAN RESERVE (per contra)			843,402.56
OTHER RESERVES			
For betterments and replacements		$ 1,829,674.06	
For fire insurance		200,000.00	
For contingencies		558,999.01	
			2,588,673.07
CAPITAL STOCK			
Authorized 400,000, Issued 259,852: 7% Cumulative Preference shares (participating) — par value $25.00 each		$6,496,300.00	
Authorized 600,000, Issued 460,000: Ordinary shares—no par value		11,500,000.00	
			17,996,300.00
EARNED SURPLUS			22,854,433.61
			$90,518,006.95

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of The Steel Company of Canada, Limited, and its subsidiary companies for the year ended December 31, 1941, and report that we have verified the cash on hand, bank balances and all securities and have obtained all the information and explanations which we have required and that, in our opinion, the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the companies' affairs at December 31, 1941, according to the best of our information and the explanations given to us and as shown by the books of the companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants, Auditors.

Toronto, Ontario, February 28, 1942.

STATEMENT OF CONSOLIDATED PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 1941

PROFIT FROM OPERATIONS after deducting depreciation and all expenses of manufacturing, selling and administration	$ 4,379,353.22
Add: Net income from securities, and profit from sales	60,378.73
NET PROFIT FOR THE YEAR	$ 4,439,731.95

The following amounts have been charged before determining the profit for the year:

Provisions for depreciation, including special depreciation for "War" plant and equipment as authorized by the War Contracts Depreciation Board	$ 4,742,022.00
Provision for income and excess profits taxes	3,520,000.00
Directors' fees	14,000.00
Remuneration of executive officers	196,737.22
Legal expenses	7,038.31

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Balance at December 31, 1940		$20,874,257.66
Add: Net profit for the year ended December 31, 1941		4,439,731.95
		$25,313,989.61
Deduct: Dividends declared during the year 1941		
On preference shares at $3.00 per share	$ 779,556.00	
On ordinary shares at $3.00 per share	1,380,000.00	
	$ 2,159,556.00	
Contribution to Pension Trust Fund	300,000.00	
		2,459,556.00
Balance at December 31, 1941		$22,854,433.61

How Can I Meet the New Double Death Duties?

For many years succession duties have been levied by the Canadian provinces on all sizeable estates. When the Dominion Government recently entered the field, the burden of death duties was greatly increased. Failure to plan how the new conditions are to be met will likely involve serious trouble for heirs and businesses involved and cause estate charges to exceed legal requirements.

The Financial Post herewith presents the third of a series of articles discussing the various problems that may arise and the best ways of meeting them. The writer, W. E. N. Bell, is a graduate of Osgoode Hall Law School and is associated with the Manufacturers Life Insurance Co. Since 1937, he has specialized in tax matters and problems affecting estates. Mr. Bell is a graduate of the University of Toronto; was a member of the Varsity rugby team, and captained the Canadian cricket team sponsored by Hon. R. C. Matthews that visited England in 1936.

By W. E. N. BELL
Taxation and Insurance Consultant

The various succession duty acts of the Dominion and provinces make provision for certain exemptions. Gifts made more than a specified number of years prior to death are free from tax. Most of the acts provide, however, that the gifts to be free from tax, must be made to the entire exclusion of the donor, so that he retains no benefit from, or control over, the proceeds of the gift. For instance, if a man put his house in his wife's name and continued to live in the house for the required number of years to make a gift free from tax, such a gift would still be taxed, for the donor continued to enjoy benefits from the gift. If, on the other hand, a man gave a house to his wife and she rented it, the gift would be free from tax if the required number of years had elapsed.

Exemptions on Charitable Gifts

Certain gifts or bequests to charitable institutions are not subject to succession duties. In the case of the Dominion Act, a man can give his entire estate away to charitable institutions during his lifetime, if he so desires, free from succession duties, but bequests under a will to charities are exempt up to only one half the total value of the property passing under the will. Some of the acts of the provinces, for instance Ontario, have somewhat similar restrictions on bequests to charities made under a will, with a further proviso that only that portion of the bequest which is actually used in the province where the gift is made, is free from tax. To take a specific example:

A man living in Ontario with an estate of $200,000 left $15,000 to the Toronto General Hospital, $15,000 to the Anglican Synod, and $15,000 to the University of Manitoba. All of the bequests would be free from Dominion tax because the amount disposed of does not equal one half the property passing under the will. The bequest to the Toronto General Hospital would be free from Ontario tax. A portion of the bequest to the Anglican Synod would also be free from Ontario tax. The size of this tax free portion would be dependent on the ratio of expenditures of the Anglican Synod in Ontario to total expenditures. If these were one-to-three then $5,000 of the $15,000 gift would be tax free. If, in making the bequest to the Synod, the deceased had limited the bequest by providing that the $15,000 had to be used in Ontario, it is probable that the entire bequest would be tax free. The bequest to the University of Manitoba would not be exempt from Ontario succession duties because the University does not carry on its operations in Ontario. "Charitable" under the Dominion Act will probably be deemed to include educational and religious institutions.

Specific Deductions

Certain specific exemptions are allowed under the Dominion Act which are not included in most of the Provincial Acts. For instance, a deduction of $20,000 is permitted in case of a bequest from a husband to a wife, and a further deduction of $5,000 is allowed a widow for each child of the deceased under the age of 18, less any amount up to $5,000 which the child obtains from the estate of the deceased.

Children and Grandchildren

"Child" is deemed under the Act to include grandchild. If the beneficiary is a child under 18, he is allowed an exemption of $5,000. If the child is an orphan he is allowed an exemption of $15,000 plus $5,000. If there is more than one orphan child under 18 benefitting, the $15,000 exemption is divided between such children on a pro rata basis, dependent on the benefits received by them. The Dominion Act provides further that bequests up to a net value of $1,000 to any one person are not taxed. If the aggregate estate is $25,000 or less and passes to a wife or husband and children of the deceased, no tax, based on the size of the estate, is levied under either the Dominion or the Ontario Act. The Dominion Act, however, taxes bequests after permissible deductions in an amount as low as $5,000 to widows and to children under 18, and $1,000 to others. No tax is levied under the Ontario Act based on the size of the bequest if the bequest to an immediate member of the family is an amount less than $50,000.

An Estate of $15,000

Consider a few specific examples; the deceased for purposes of simplification being domiciled in Ontario in each case.

The deceased leaves an estate of $15,000 outright to his widow. No tax would be levied by the Dominion or by Ontario. In the case of the Dominion an aggregate estate of less than $25,000 is not subject to a tax, based on the aggregate estate, and a gift to a wife is subject to a $20,000 exemption. In Ontario, an estate of less than $25,000 going to an immediate member of the family is not taxed.

The deceased leaves an estate of $40,000 outright to his wife. Besides his wife he had three children, one of whom was over 18, and two grandchildren, surviving.

The Dominion Tax would be nil.

The Ontario Tax would be $874.

Bequests received from a deceased person leaving an aggregate estate of $40,000 are liable to a Dominion tax based on the aggregate estate of 1.15%. But in the example there is no taxable bequest because a $20,000 exemption is permitted the widow, and further exemptions are allowed to her of $5,000 for each of the children under 18, and for each grandchild. The Ontario tax on an estate of $40,000 is made up of a tax based on the size of the estate of 1.9% plus a surtax of 15% of 1.9%. The provision under the Ontario Act that an estate of less than $25,000 is not taxed is not an exemption if the estate is more than $25,000. In such case the whole estate and not just that part over $25,000 is subject to tax.

Widow Gets Income

A man leaves an estate of $350,000. He provides that his wife, age 47, is to receive the income from the estate for her lifetime and on her death the capital is to pass on to his two children, both over 18, equally. The various succession duty acts under such circumstances permit a valuation of the various interests passing under the will and a settlement of the full tax immediately. The capitalized value of the income from $350,000 when given to the widow, age 47, under the Dominion Act is $211,995, and under the Ontario Act such interest is valued at $247,625. In other words, the present worth of the estimated income the widow will receive, is ascertained after determining her life expectancy. (The difference in the Dominion and Ontario valuations is probably due to the use of different interest factors.) The interests passing to the two children in each case will be what is left after the value placed on the income for life passing to the widow is deducted.

For the Dominion this would be		$350,000
	Less	211,995
		138,005
For Ontario		350,000
	Less	247,625
		102,375

How the Duties Are Computed

On this basis the succession duties payable to the Dominion would be:

On Bequest to Wife			
Valued at	$211,985		
Less exemption	20,000		
	$191,985		
Rate based on aggregate	$350,000	4.7%	
Rate based on size of net bequest	$191,985	7.8%	
		12.5%	
Tax $191,985 x 12.5%			$23,998
On Bequest to Each Child			
Valued at half of	$138,005		= $69,002.50
(No exemption allowed where child is over 18)			
Rate on aggregate of	$350,000	4.7%	
Rate on size of bequest	$69,002.50	4.7%	
		9.4%	
Tax on bequests to children: Dominion	$138,005 x 9.4%		$12,972
Total Dominion succession duties			$36,970

Succession Duties Payable to Ontario would be

On bequests to wife:			
Valued at	$247,625		
Rate on size of estate	$350,000	6.75%	
Rate on size of bequest of	$247,625	3.32%	
		10.07%	
Plus surtax of 15% of 10.7%		1.5105%	
Total rate		11.5805%	
Tax $247,625 x 11.5805%			$28,676
On bequest to each child:			
Valued at half of	$102,375		= $51,187.50
Rate on size of estate of	$350,000	6.75%	
Rate on gift (to each child)	51,187.50	1.52%	
		8.27%	
Surtax of 15% of 8.27%		1.2405%	
		9.5105%	
Tax on bequests to children $102,375 x 9.5105%			
Tax on bequests to children	$102,375 x 9.5105%		9,736
Total Ontario succession duties payable			$38,412
Total Dominion			$36,970
Total Ontario Tax			$38,412
			$75,382

An Exemption in Ontario

An exemption included in the Ontario Succession Duty Act is of interest. It reads as follows:

"No duty shall be levied on any of the following property nor shall such property be included for the purpose of determining rate of duty: Any non-commutable annuity, income or periodic payment effected in any manner other than by will, or testamentary instrument and paid for by the deceased during his lifetime, and paid to or enjoyed by the wife or dependent father, or mother, or any dependent brother, sister, or child of the deceased after the death of the deceased, to the extent of $1,200 per annum with respect to any one person and to the extent of $2,400 per annum in the aggregate."

In order to receive the benefits of the exemption the income must not be commutable and cannot be provided under a will. If provided for persons other than a wife the beneficiary must be dependent at the time of the testator's death. The most practical way of taking advantage of the exemption is, of course, for an individual to have a portion of his insurance payable under one or more of the settlement options provided in his insurance policies.

Annuity Payments

For instance, a man with an estate of $160,000 and with $75,000 insurance arranges his affairs so that $30,000 of the insurance is payable to his estate $20,000 is payable in the form of an annuity income to his wife, and $25,000 is also arranged to be paid to his dependent daughter in the form of an annuity, payments in both cases to be guaranteed for 10 years.

Approximately $42,000 of the $45,000 insurance arranged in this manner would be free from Ontario Succession Duties. When insurance is made payable in the form of an annuity, the face values of the policies involved no longer remain a factor in arriving at Ontario Succession Duties. The department calculates the value of the life annuity involved in accordance with the mortality table and rate of interest approved by the Lieutenant-Governor in Council. From this calculation is deducted the values of unguaranteed annuities of similar amounts up to the amounts of the exemptions permitted under the Act. The difference is subject to tax. The actual exemption resulting is composed of two elements.

1. The value of the specific exemption allowed as indicated by the tables used by the department.
2. The difference between the amount required by the insurance companies to provide the income in question and the value placed on the annuities by the department.

The Ontario tax, assuming a distribution whereby the widow received the income from the balance of the estate for her lifetime and on her death the estate to go to the daughter, is reduced from $13,725, if this exemption had not been used to $9,100, a tax reduction of $4,625. The Dominion tax would not be affected and would remain at $9,990.

Avoid Forced Liquidation

Since there is still $30,000 insurance payable to the estate there would be adequate funds for payment of succession duties and no loss should result from forced liquidation of the other, possibly frozen, assets of the estate.

Under some of the provincial acts a person is allowed to take out insurance on his life and have it payable to the provincial treasurer and the proceeds of the insurance is free from tax up to an amount equal to the succession duties payable to the provincial treasurer. In Ontario, if insurance was taken out and made payable in this way, prior to the repeal of this exemption in 1937, the difference between the face value of the insurance and the premium payments made is free from Ontario succession duties.

Much good can come from thus encouraging people to provide liquid funds for payment of succession duties and very little loss is suffered by the jurisdiction levying the tax. If the insurance is not applied for, the man will in theory at time of death have in his estate the money which he would have used to make the premium deposits plus an interest accumulation. If the insurance is applied for and is exempt on a basis similar to that formerly existing in Ontario, the government still collects tax on the premiums paid, it being only the excess of the proceeds of the insurance policy over the premium deposits made which is free from tax. All it fails to levy a tax on, in the latter case, is the possible interest accumulation which might have occurred if the insurance had not been applied for and this, with income taxes so high, is not so important as formerly.

It is only when the taxing authority assumes the taxpayer will have to take the insurance anyway because this is the only way he can provide the cash required to pay the tax, that the government can see that it will receive substantially more tax if the exemption is not allowed. In other words, a tax law is passed, the taxpayer increases his estate to pay the tax and he not only is then asked to pay on the estate he would have had if the legislation had not been passed, but also, on the increased estate resulting directly from the tax. The additions of such an exemption to those provincial acts not already including it and to the Dominion Act would result in no great loss of revenue and would provide assistance in the solving of a problem aggravated by the entry of the Dominion Government into the succession duty field.

Investment Notes

Montreal Power shares have hit new lows recently and on relatively heavier turnover. Although granting that fears of a possible income tax increase or entry of Quebec province into the power field may be a minor factor in this decline, one view maintains that a far more important factor is the type of holder who has accumulated large numbers of shares of this company in the past. Large individual holdings are in the hands of estates and these have to be liquidated occasionally. Then there is selling made necessary by heavy succession duties. This selling, it is maintained, should not alarm shareholders but should be regarded rather as giving the average investor an opportunity to buy Montreal Power on attractive terms with a yield of about 7½% on the present dividend basis.

* * *

Value of stocks listed and traded on the Montreal stock exchange and curb market at the end of February was down $198.9 millions from the previous month to $3,701.4 millions. The February amount was the lowest since May, 1941, and was $574.4 millions lower than February of last year. All sections of the market were lower than the previous month, although eight of the 20 classifications were higher than February a year ago. Heaviest decline was in base metals and miscellaneous mines.

* * *

Radio receiving sets sold by Canadian producers in 1941 totalled 399,556. This compares with 1940's record total of 438,976 sets and is well above 1939's 370,568. Sales in Ontario in 1941 amounted to 182,505, or 45.6% of the total. Quebec followed with 19%, the Maritimes had 9.3%, British Columbia 8.7%, Manitoba 8.1% and Alberta and Saskatchewan combined of 9.3%.

* * *

Dominion Coal Co. reports output at its Cape Breton and Springhill Collieries in February increased 39,541 tons over February of last year to 422,346 tons.

Cumulative output for the first two months of this year amounted to 833,562 tons, an increase of 32,699 tons over the like period last year.

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Canadian Industries

With its products so much in demand what is the outlook for C.I.L. showing better profits?

Canadian Industries Ltd. has just issued its annual report for 1941, showing slightly lower earnings in spite of a 25% gain in sales volume. There is little doubt but that the war will result in full utilization of practically all of this company's facilities. Shortages of materials in some cases will undoubtedly interfere with some ordinary civilian output.

This company's operations cover a wide range of fundamental needs in Canada. There is nothing in sight to displace this need in the postwar period, in fact the contrary seems to be more likely. At the same time, it seems likely that the combination of rising costs and wartime taxation and controls will mean little chance for the company to show higher earnings during wartime than were reported over the past two years. Operations should be well maintained, however, and the outlook seems generally favorable for this type of company.

Can. Nasal Spray

Any information you can supply on the investment status of Canadian Nasal Spray Co. would be appreciated.

At the present time there is not available very much information on the affairs of Canadian Nasal Spray Co. New interests took over the bankrupt firm and resumed operations in August of last year. Present authorized capital of the company is one million shares of which approximately 356,000 are outstanding. Letters patent are now being sought to reduce authorized capital to 250,000 shares, with a pro rata reduction being made in the number of shares outstanding on a one new for four old basis.

Sales of the company are reported to be showing improvement. From the investment standpoint, it might be pointed out that this is a seasonal product, while some of its ingredients such as camphor and menthol are imported from China.

Taxing Limited Companies

What is the tax situation on a company which has shown a profit of $3,000 plus salaries of $4,000 paid to shareholders? Is the E.P.T. figured on the $3,000 or does the $4,000 in salaries have to be added back to net profit to determine if the E.P.T. must be paid?

Shareholders' salaries must be added back to net profits, or taxable income, to determine whether or not the excess profits tax applies.

Actually the salaries are added back to the taxable income, which in your example is $3,000, merely to determine whether or not the excess profits tax does apply. If the taxable income, plus the amount paid as salaries, is more than $5,000, then the excess profits tax must be paid. The amount would be 12% for 1940 income and 22% for 1941, provided the company comes in the minimum tax bracket and is not subject to the 75% rate because of gains over the base period.

The actual tax, however, applies only on the taxable income item, in this case $3,000, or on net income after salaries have been deducted. This means that you do not pay your 12% tax on $7,000 as in the example which you cite, but only on the $3,000 of taxable income.

New Tax Agreement

I understand that there have been some recent tax agreements which change the situation regarding U. S. securities held by a Canadian. Would you outline these changes?

Position of U. S. securities for the Canadian investor has been changed materially with the announcement of a new tax agreement between Canada and the United States. By this agreement the former 27½% withholding tax imposed by U. S. authorities is reduced to 15% and provision is made for an automatic refund of any overdeductions. This agreement is to last for three years. Another point to remember is that Canadian taxpayers can offset taxes deducted at the source in the United States against their Canadian payments within certain specified limits.

Dominion Coal

What now appears to be the earnings and dividend outlook for Dominion Coal?

Dominion Coal Co. has just reported on 1941 operations and shows an operating loss of $269,966 before providing for interest or depreciation. A year ago the company reported an operating profit of $2.2 millions under the same conditions. It attributes this unsatisfactory showing to a loss of 620,000 tons of coal production because of the slow down by miners last year. Working capital is also down from $5 millions to $2.9 millions. We have no information as to when the company will resume dividends.

Federal Discount

As a long-time subscriber can you tell me what happened to Federal Discount Corp. and if shares in this organization have any value?

The Federal Discount Corp. of Canada was taken over in 1924 by Consolidated Discount. However, the life of the new organization was very short and there is no value in either its shares or those of Federal Discount.

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